



Another Reason Nutrien Stock Looks Solid Right Now

Description

When it comes to stocks generating market-beating returns, **Nutrien** ([TSX:NTR](#))([NYSE:NTR](#)) has certainly attracted a lot of interest from investors. Indeed, the Nutrien stock has surged nearly 40% year to date. This speaks to the [value](#) investors have found in owning this fertilizer player

Indeed, I believe Nutrien stock is one of the best commodities-oriented options on the TSX right now. Without a doubt, the current economic environment is favourable for such stocks. Considering this surge in share price, there may be some investors looking to take profits. However, there are also a number of reasons to stay invested or potentially add at these levels.

Let's dive into the bull case on Nutrient stock.

Current fertilizer prices favour Nutrien stock

Over the short term, I think there's a lot to like about how Nutrien is positioned. This fertilizer producer focuses on providing the market with potash, nitrogen, phosphorus, and other minerals used as agricultural fertilizers. These happen to be in high demand, as population growth and supply chain challenges make for a supply-and-demand outlook that finally favours commodities players.

Crop nutrients have been rising in value partly due to rising natural gas prices. Russia and China (key markets in this regard) have limited nutrient exports, so domestic suppliers such as Nutrien are filling the gap.

Additionally, the U.S. is one of the leading countries that import fertilizer products. Approximately 40% of the overall ammonium nitrate and 20% of its total urea come from Russia. With Nutrien's exposure to the U.S. market and global commodity prices, this company appears to be in a favourable position.

Nutrien is raising its production in this market and is likely to gain market share right now. For those with a longer-term outlook, the potential for Nutrien to dominate more of the global potash trade is very bullish. Should continued consolidation take place, Nutrien could be in a very strong position to corner the market in certain geographic regions.

Bottom line

Indeed, there appears to be a lot of optimism surrounding Nutrien stock right now. Taking everything into consideration, Nutrien is a company that looks like it can deliver excellent results in the forthcoming quarters.

Nutrien has shown some impressive results in recent quarters, driven by higher fertilizer prices. The company's [valuation](#) has reflected this. However, I think a tighter longer-term supply/demand in the fertilizer space is likely to take hold. Accordingly, Nutrien stock is one of my top picks for investors looking for commodities-related exposure right now.

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