



RRSP Investors: 2 Hot Stocks That Could Continue to Rise in 2022

Description

[RRSP](#) investors are searching for top TSX stocks that can continue to rally in 2022.

Nutrien

Nutrien ([TSX:NTR](#))([NYSE:NTR](#)) generated record earnings in Q3 2021, and investors should see a solid performance for Q4 and the first part of 2022.

The company raised the midpoint of its full-year adjusted EBITDA guidance from US\$6.2 billion to \$7.0 billion when the Q3 results came out. Adjusted net earnings for 2021 will be as high as US\$6.10 per share compared to the previous guidance of US\$5.10 per share.

Nutrien is benefitting from a surge in potash prices. The market is in a strong upswing, driven by rising global demand, as farmers plant more acres to take advantage of high crop prices.

The momentum is expected to continue through 2022, and Nutrien is in a good position to reap the rewards. The company has excess capacity to ramp up potash production. Nutrien increased its potash output by one million tonnes in the second half of 2021. Competitors are either unable to increase production due to operational challenges or have faced sanctions from key buyers, such as the United States.

On the retail side, Nutrien's seed and crop protection business has largely avoided the pains caused global supply chain issues and the company indicated in the Q3 report that it sees limited disruption in the first half of 2022 for availability of its crop protection products.

The result of the strong pricing and demand for Nutrien's wholesale and retail products and its ability to get supplies to customers are windfalls for the company and its shareholders.

Investors could see a generous dividend increase or a special return of capital in 2022. The company is also buying back stock and reducing debt with the excess cash. This business is a profit machine when crop-nutrient prices soar, and the market is finally starting to realize how profitable Nutrien can

be in this environment.

The stock is up 50% in the past 12 months and currently trades near \$95 per share. That's close to the recent high of \$99. It wouldn't be a surprise to see Nutrien hit \$120 by the end of 2022.

Teck Resources

Teck Resources ([TSX:TECK.B](#))([NYSE:TECK](#)) produces metallurgical coal used to make steel. It also produces copper and zinc and is a partner in the Fort Hills oil sands facility.

The global economic rebound and aggressive infrastructure spending in the United States should drive ongoing strength in steel demand over the next few years. That bodes well for Teck's met coal business, which is already enjoying a surge in prices. The company is considering the sale or spin off of the coal unit to focus more on its copper operations and to make the stock more appealing for [ESG](#) investors. In the event a sale is announced at a higher-than-expected valuation, Teck's stock could soar.

Copper demand should remain robust in the next few years, as the world pivots more to electric vehicles and renewable energy. Copper is a key component in the manufacturing of EVs, solar panels, and wind turbines.

Teck trades near \$36 per share at the time of writing. The stock price rose 50% in 2021 and could continue to ride the commodity surge higher in 2022.

The bottom line on top RRSP stocks for 2022

Nutrien and Teck Resources are leaders in their industries and are positioned to benefit from higher commodity prices. If you have some cash to put to work in a self-directed RRSP, these stocks deserve to be on your radar.

CATEGORY

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2. NYSE:TECK (Teck Resources Limited)
3. TSX:NTR (Nutrien)
4. TSX:TECK.B (Teck Resources Limited)

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