



## Stellar Commodity Stocks to Diversify Your RRSP

### Description

Commodity stocks have been quite robust amid the recent barrage of broader market volatility. They're a major reason why the TSX Index has not [crumbled](#) to the same magnitude as the U.S. indices. While the strength in various commodities will not last forever, I still think those who have avoided the fossil fuel or metals miners have a lot to gain by nibbling away at some top-tier names on strength.

Indeed, it would have been far better to have bought a commodity stock before the historic [surge](#). But given today's macro conditions, I'd argue that many of the quality commodity companies out there are still more than buyable.

## RRSP investors: Hedging with commodity stocks may prove wise

Yes, their price of admission has gone up considerably in recent quarters, but that's because the industry environment has improved so drastically. Whether we're talking about agricultural commodities, fossil fuels, or precious metals, it's tough to ignore the strength of the recent "everything rally" in the commodity space.

In this piece, we'll look at two top-notch commodity plays that I wouldn't hesitate to chase into the back half of 2022. The Ukraine-Russia crisis has fueled massive spikes in the price of various commodities, and while we all hope for a peaceful resolution, investors must be prepared for the worst. At the end of the day, investing is all about managing risks, so you're not put in a spot to skate offside.

Consider agricultural commodity producer **Nutrien** ([TSX:NTR](#))([NYSE:NTR](#)) and gold miner **Barrick Gold** ([TSX:ABX](#))([NYSE:GOLD](#)) — two intriguing commodity plays that may not be as expensive as they could be, given strength in their underlying commodities.

### Nutrien

Nutrien isn't just another commodity producer; it's one of the world's largest and most efficient potash producers. The firm also produces other in-demand fertilizers (like nitrogen), and with a robust retail business tacked on, Nutrien is a name that was built for times like these.

With Russia, a major supplier of various agricultural commodities, being hit with sanctions, other global suppliers will need to pick up the slack to keep up with global demand. Nutrien is not just a well-run fertilizer play; it faces one of the most significant demand booms in a long time.

Indeed, after doing nothing for many years, the stock has finally awoken. Shares have more than doubled in a year, and they could be headed much higher amid the parabolic spike. At 20.8 times earnings, NTR isn't the same value play it used to be. The dividend, yielding 1.66%, is compressed, but I still think the name is vital for a portfolio that's not equipped to deal with rampant inflation.

## Barrick Gold

Barrick Gold is a quality gold miner that investors should watch closely if they're lacking in any precious metals exposure. **Bitcoin** has been all the rage these days. But I still think gold is the gold standard. And in terms of miners, Barrick is one of the best in its breed, with very efficient operations and some of the best economics in the space.

The stock boasts a 1.6% dividend yield, which investors can collect as they wait for the stock to appreciate hand in hand with the price of gold. Given the recession fears and inflation, the stage could be set for a remarkable rally back to new highs. Simply put, Barrick is a magnificent hedge for turbulent times.

### CATEGORY

1. Investing
2. Metals and Mining Stocks

### TICKERS GLOBAL

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2. NYSE:NTR (Nutrien)
3. TSX:ABX (Barrick Mining)
4. TSX:NTR (Nutrien)

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