



## 3 Canadian Commodity Stocks to Buy in June

### Description

Commodity prices have been rallying lately, driven by the multi-decade high [inflation rates](#) amid the ongoing Russia-Ukraine conflict. The Bloomberg Commodity Index gained 38.09% year to date and 9.89% over the past month.

Since the war broke out in late February, commodity markets have witnessed intense volatility and price fluctuations, as Russia and Ukraine are major global exporters of key raw materials such as crude oil, wheat, and nickel, among others.

Given the escalating tensions between Russia and Ukraine and consequent economic sanctions, commodity prices are expected to remain high in the near term. The volatile macroeconomic backdrop will likely drive sharp commodities price hikes in 2022 and are expected to remain elevated in the upcoming months.

Canada is one of the leading global commodity exporters. Thus, investing in top Canadian commodity manufacturers should generate substantial shareholder returns.

### Nutrien

Saskatoon-based **Nutrien** ([TSX:NTR](#))([NYSE:NTR](#)) is the world's largest provider of fertilizer, crop inputs, and services. The company manufactures roughly 27 million tonnes of nitrogen, potash, and phosphate products globally.

Given the rising global food prices and concerns surrounding food shortages, Nutrien is taking active steps to boost its crop input production capabilities to address the challenges. Nutrien's net earnings came in at a record \$1.40 billion in the fiscal first quarter of 2022, while adjusted EBITDA stood at a record \$2.60 billion.

The company is currently planning to build the world's largest clean ammonia facility, with an estimated annual production capacity of 1.2 million metric tonnes. As the global food crisis deepens, Nutrien has been expanding its low-cost fertilizer production capacity and enhancing its global distribution network

to accelerate its growth and return additional cash to shareholders.

The company's annual revenues and EPS are expected to increase 49.6% and 180.3% year over year, respectively, in fiscal 2022.

## Barrick Gold

Headquartered in Toronto, **Barrick Gold** ([TSX:ABX](#))(NYSE:GOLD) is the second-largest [gold mining company](#) globally. It controls the mining industry's best gold assets and substantial copper mines.

Barrick Gold produced one million ounces of gold and 101 million ounces of copper in the first quarter of 2022. Given the strong commodity market performance amid falling equity markets, Barrick Gold ended the first quarter with a net cash balance of US\$743 million.

In fact, the company raised its quarterly dividend payout to \$0.20 per share, inclusive of a share performance dividend of \$0.10 per unit. As Barrick continues to strengthen its mining operations and asset base by replacing the depleted reserves through brownfield exploration, its revenues are expected to grow at a stable rate through next year.

## Suncor Energy

**Suncor Energy** ([TSX:SU](#))(NYSE:SU) is Canada's largest integrated energy company. It is an oil and gas producer and refiner with operations across Canada and the United States.

Suncor Energy has been capitalizing on the surging crude oil prices over the past few months. "In the first quarter of 2022, Suncor generated the highest quarterly adjusted funds from operations in the company's history of \$4.1 billion, or \$2.86 per share, including record adjusted funds from operations from our Oil Sands assets, as commodity prices increased," said Mark Little, president and CEO for Suncor.

Analysts expect Suncor Energy's revenues to rise 53.8% year over year to \$11.06 billion in the second quarter and 45.8% year over year to \$45.51 billion in 2022. Consensus EPS estimates, however, indicate a 368.4% rise in the ongoing quarter and 173% growth in the current year.

### CATEGORY

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