



5 Things to Know About Nutrien Stock in January 2023

Description

Nutrien ([TSX:NTR](#)) is a Saskatoon-based company that provides [crop inputs and services](#). This company is the largest producer of potash and the third-largest producer of nitrogen fertilizer on the planet. Today, I want to discuss five things that investors should know about Nutrien stock as we enter the final days of January 2023. Let's jump in.

Nutrien stock enjoyed a sharp uptick in 2022

Shares of Nutrien have increased 19% year over year as of close on January 20. The stock has shot up 7.7% in the year-to-date period in 2023.

This top potash and fertilizer producer surged to a 52-week high of \$147.93 in the second half of April 2022. Its shares would parry volatility throughout the year but maintained a triple-digit valuation through most of 2022. Investors who want to track its gains and turbulence can play with the interactive chart below.

Geopolitical strife drove interest in the stock last year

On February 24, 2022, Russia launched a full-scale invasion of Ukraine. This represented a major escalation in a period of tension and conflict that has engulfed the two nations since the Ukrainian revolution in February 2014. Since then, Russia annexed Crimea, and the two nations have struggled for territory in the Donbass region.

The full-scale invasion sparked fierce condemnation from the United States and most of its NATO and European Union allies. Indeed, the NATO and E.U. coalition has provided financial aid, military equipment, and training to Ukraine in its battle against the much larger Russian state.

Ukraine is sometimes referred to as the "breadbasket of Europe" due to its richly fertile soil. It is one of the three largest exporters of grain on Earth. The Russia-Ukraine conflict has severely impacted the world's food supply. This means that companies like Nutrien have been leaned on to pick up the slack.

That also drove interest in the stock.

The company still has a role to play in this food crisis

NATO and E.U. aid has played a massive role in keeping Ukraine afloat during the war. The country has been able to restart large grain shipments through its ports. This, in turn, has led to a dip in the price of fertilizer.

That does not mean that the food crisis is over. Indeed, the crisis is still being fueled by the ongoing conflict, the aftershocks of the COVID-19 pandemic, high fuel prices, and the impacts of climate change. Nutrien still has a part to play in this global crisis.

Nutrien is set to release its last batch of earnings

The company is expected to release its final batch of fiscal 2022 earnings in the middle of February. In the third quarter of 2022, Nutrien achieved total sales of \$8.18 billion — up 36% from the prior year. Meanwhile, sales jumped 48% to \$30.3 billion in the first nine months of fiscal 2022.

EBITDA stands for earnings before interest, taxes, depreciation, and amortization. This measure aims to give a better picture of a company's profitability. Nutrien delivered adjusted EBITDA of \$2.46 billion in the third quarter of 2022 — up 50% from the third quarter of fiscal 2021. Moreover, adjusted net earnings per share surged 82% to \$2.51.

Good news: This stock still looks cheap

Nutrien stock currently possess a [very attractive price-to-earnings ratio of 5.5](#). Meanwhile, it offers a quarterly [dividend of \\$0.48 per share](#). That represents a 2.4% yield.

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Date

2025/08/11

Date Created

2023/01/23

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