

Five for Friday- Dirt Cheap Stocks Updated

Last August, we shared a scan for cheap stocks in the basic materials sector. At the time, we aimed to find companies with cheap valuations and strong growth prospects that could benefit from higher commodity inflation. Since then, inflation peaked and moderated, led by commodity prices. As such, we thought it would be helpful to rerun the scan.

With lower prices, we had to reduce our EPS growth forecasts and prior growth to 15% from 25%. Lower prices over the last six months negatively affected their current and expected EPS. Despite the reduction, we only found four stocks that met our criteria. Two of which, STLD and WFG, were in the original scan.

The screen and data are courtesy of Finviz.

Screening Criteria

- Market Cap >\$2.0 bn
- 5yr EPS Growth Est. > 15%
- Prior 5yr EPS Growth >15%
- P/E and Forward P/E < 15
- PEG Ratio < 1
- P/S < 1

Commodity companies tend to be highly leveraged; therefore, higher interest rates can negatively impact their earnings. Geopolitics, labor-management problems, and environmental impact costs can also pose risks in the future.

Ticker	P/E	F P/E	EPS Growth	EPS Growth	PEG	P/S
			Past 5 yrs.	Expect. 5 yrs.		
OLN	6.29	7.18	68%	20%	0.31	0.78
STLD	5.86	12.77	51%	28%	0.21	0.89
UFPI	7.31	9.51	43%	17%	0.43	0.53
WFG	2.92	12.26	21%	29%	0.10	0.64

Company Summaries

Olin Corporation (OLN)

Olin Corporation (OLN) - Specialty Chemicals

Description [Read More](#)

Olin Corporation manufactures and distributes chemical products in the United States, Europe, Asia Pacific, Latin America, and Canada. It operates through three segments: Chlor Alkali Products and Vinyls; Epoxy; and Winchester. The Chlor Alkali Products and Vinyls segment offers chlorine and caustic soda, ethylene dichloride and vinyl chloride monomers, methyl chloride, methylene chloride, chloroform, carbon tetrachloride, perchloroethylene, hydrochloric acid, hydrogen, bleach, nitrates, potassium hydroxide, and chlorinated organics intermediates and end uses. The Epoxy segment provides additives such as allyl chloride, anisole, anisole, and nitrile amines. The Winchester segment includes acetone, hexanone, cumene, and phenol liquid and

Latest Price (Apr 24, 2023, 2:05:56 PM)
\$56.05 ▲ (\$0.45) (0.77%)

Last Close
\$55.62

Open
\$55.69

Volume
400,438

Annual Div.
\$0.80

Mkt Cap (mn)
\$7,335.21

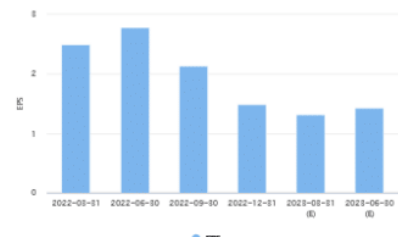
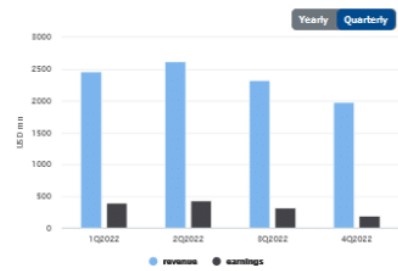
52 Week Range
\$48.33

Day Range
\$55.50

Avg. Volume (3m)
1,421,721

Div. Yield
1.44%

Beta
1.44



Steel Dynamics (STLD)

Steel Dynamics, Inc. (STLD) - Steel

Description [Read More](#)

Steel Dynamics, Inc., together with its subsidiaries, operates as a steel producer and metal recycler in the United States. It operates through three segments: Steel Operations, Metals Recycling Operations, and Steel Fabrication Operations. The Steel Operations segment offers hot rolled, cold rolled, and coated steel products; parallel flange beams and channel sections, flat bars, large unequal leg angles, and reinforcing bars, as well as standard strength carbon, intermediate alloy hardness, and premium grade rail products; engineered special-bar-quality products; merchant-bar-quality products; and other engineered round steel bars; channels; angles; flat; merchant rounds; and reinforcing steel bars; and specialty shapes and light

Latest Price (Apr 24, 2023, 2:06:54 PM)
\$108.78 ▼ (-\$1.27) (-1.15%)

Last Close
\$110.05

Open
\$109.72

Volume
758,728

Annual Div.
N/A

Mkt Cap (mn)
\$18,556.24

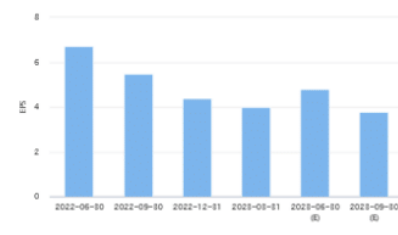
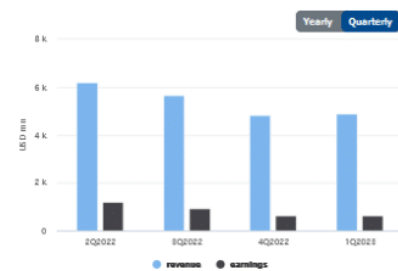
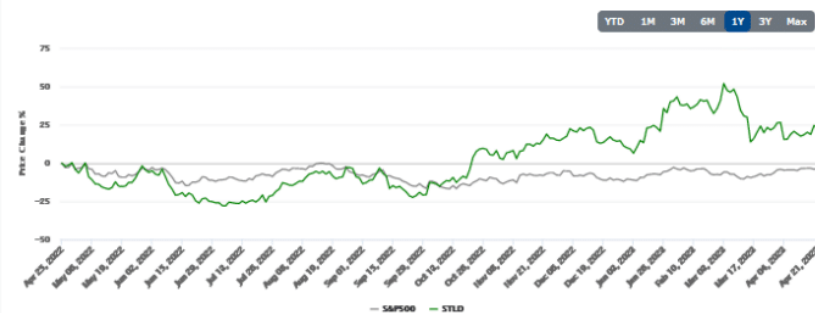
52 Week Range
\$62.44

Day Range
\$108.51

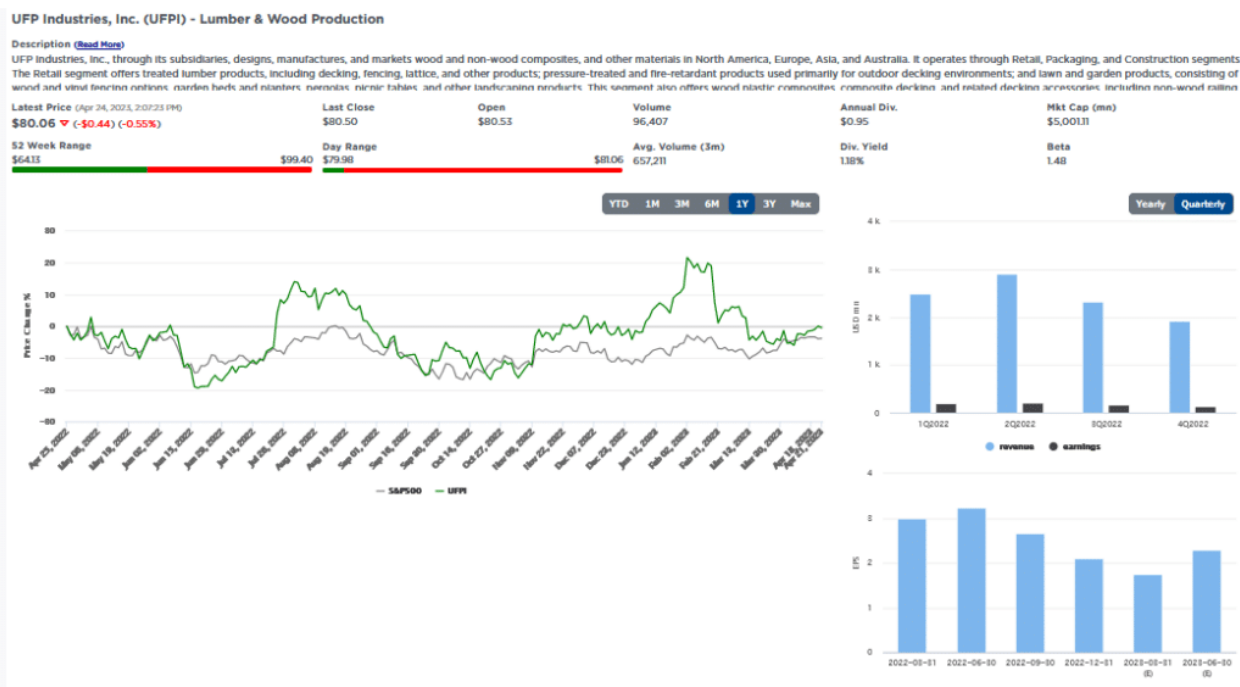
Avg. Volume (3m)
1,964,940

Div. Yield
N/A

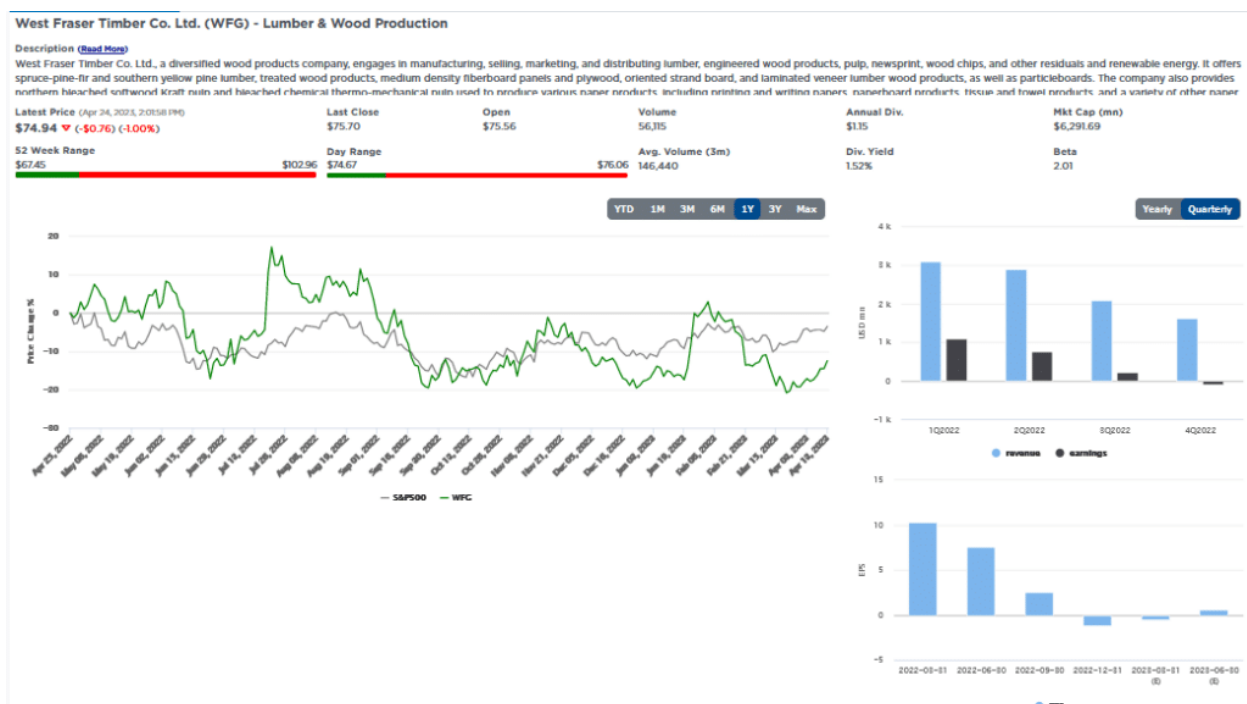
Beta
N/A



UFP Industries (UFPI)



West Fraser Timber Co. (WFG)



Disclosure

This report is not a recommendation to buy or sell the named securities. We intend to elicit ideas about stocks meeting specific criteria and investment themes. Please read our [disclosures](#) carefully and do your own research before investing.