

## 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	EPS Growth	PEG	P/S
			Growth	Expect. 5		
			Past 5 yrs.	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, and sodium nitrosyl sulfonate and chlorinated organics intermediates and crotonates. The Epoxy segment provides additives such as allyl chloride, acrylonitrile, and styrene aromatics, including acetone, hexanone, cumene, and phenol liquid and

Latest Price (Apr 24, 2023, 2:05:56 PM)

**\$56.05** ▲ (\$0.43) (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

\$67.25

Day Range

\$55.50

Avg. Volume (3m)

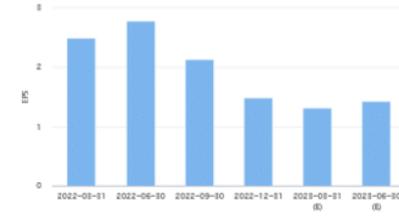
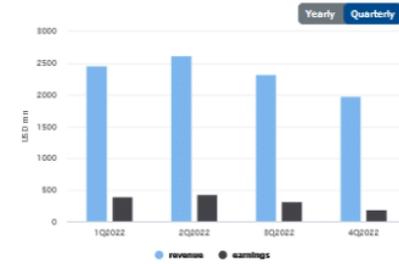
\$36.09

Div. Yield

1.44%

Beta

1.44



### Steel Dynamics (STLD) - Steel

#### 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; annealed sheet-bar-quality products; merchant-bar-quality products; and other nonferrous round steel bars; channel angles; flat merchant blanks; 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

\$136.46

Day Range

\$108.51

Avg. Volume (3m)

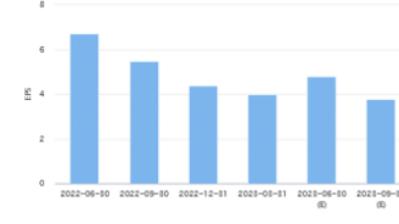
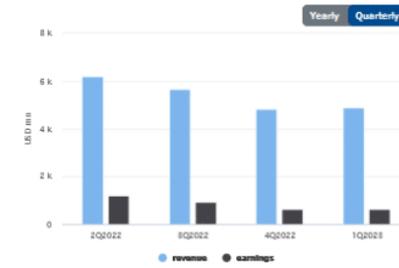
\$110.64

Div. Yield

N/A

Beta

N/A



### UFP Industries (UFPI)

### UFP Industries, Inc. (UFPI) - Lumber & Wood Production

Description [\(Read More\)](#)

UFP Industries, Inc., through its subsidiaries, designs, manufactures, and markets wood and non-wood composites, and other materials in North America, Europe, Asia, and Australia. It operates through Retail, Packaging, and Construction segments. The Retail segment offers treated lumber products, including decking, fencing, lattice, and other products; pressure-treated and fire-retardant products used primarily for outdoor decking environments; and lawn and garden products, consisting of wood and vinyl fencing options, garden beds and planters, nurseries, picnic tables, and other landscaping products. This segment also offers wood plastic composites, composite decking accessories, including non-wood railing, composite decking, and related decking accessories. The Packaging segment offers wood plastic composites, composite decking accessories, including non-wood railing, composite decking, and related decking accessories. The Construction segment offers wood plastic composites, composite decking accessories, including non-wood railing, composite decking, and related decking accessories.

Latest Price (Apr 24, 2023, 2:02:25 PM)  
**\$80.06** ▼ (-\$0.44) (-0.55%)

Last Close  
 \$80.50

Open  
 \$80.53

Volume  
 96,407

Annual Div.  
 \$0.95

Mkt Cap (mn)  
 \$5,001.11

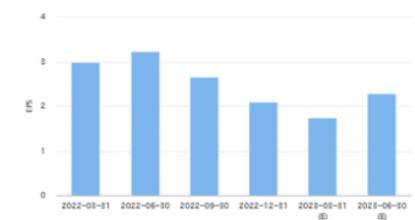
52 Week Range  
 \$64.13

Day Range  
 \$79.98

Avg. Volume (3m)  
 657,211

Div. Yield  
 1.18%

Beta  
 1.48



### West Fraser Timber Co. (WFG)

#### West Fraser Timber Co. Ltd. (WFG) - Lumber & Wood Production

Description [\(Read More\)](#)

West Fraser Timber Co. Ltd., a diversified wood products company, engages in manufacturing, selling, marketing, and distributing lumber, engineered wood products, pulp, newsprint, wood chips, and other residuals and renewable energy. It offers spruce-pine-fir and southern yellow pine lumber, treated wood products, medium density fiberboard panels and plywood, oriented strand board, and laminated veneer lumber wood products, as well as particleboards. The company also provides northern bleached softwood Kraft resin and bleached chemical thermo-mechanical resin used in produce various paper products, including various paper products, including printing and writing papers, nanofiber products, tissue and forest products, and a variety of other paper products.

Latest Price (Apr 24, 2023, 2:05:58 PM)  
**\$74.94** ▼ (-\$0.76) (-1.00%)

Last Close  
 \$75.70

Open  
 \$75.56

Volume  
 56,315

Annual Div.  
 \$1.35

Mkt Cap (mn)  
 \$6,291.69

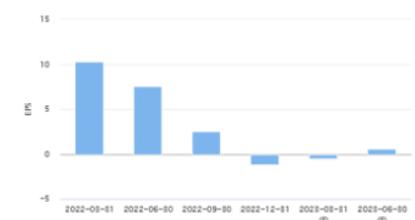
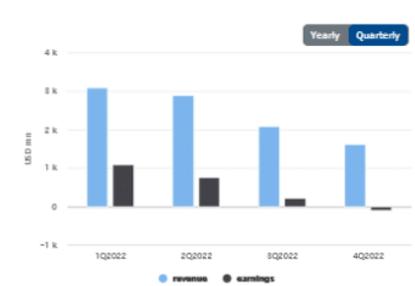
52 Week Range  
 \$67.45

Day Range  
 \$102.96

Avg. Volume (3m)  
 146,440

Div. Yield  
 1.52%

Beta  
 2.01



### 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.