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PotashCorp leads pack

Saskatoon-based potash producer most valuable firm on Toronto exchange

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On Monday, when crude oil prices reached another all-time high, it was no longer a bank or a company producing "black gold" sitting on top of the corporate heap in Canada, but a company from Saskatchewan that mines sylvite, the pink-hued ore better known as potash.

Potash Corp. of Saskatchewan, Inc., headquartered in Saskatoon, became the most valuable company on the Toronto Stock Exchange after Monday trading pushed PotashCorp stock up \$5.40 to close at \$211.10.

That gives PotashCorp a total market capitalization of \$66.6 billion, allowing it to edge out Calgary oil and gas producer EnCana Corp. as the most valuable company in Canada. Despite crude spiking to \$117 US a barrel, EnCana shares declined two cents on Monday trading.

In contrast, PotashCorp stock has been on an upward trajectory for the past year, with its stock price and market value more than triple what it was in April a year ago. The spike is largely based on world demand for potash, which, as refined potassium chloride, is one of the three key nutrients in modern agriculture.

"I suspect there are a lot of people in Calgary and Toronto who are surprised the market is being led by a company from Saskatchewan," said PotashCorp spokesperson Bill Johnson.

In a statement, PotashCorp president and CEO Bill Doyle says the new high for his company's stock reflects the growing awareness of the importance of fertilizer, especially potash, in meeting global demand for food.

"This is becoming a critical issue and investors recognize that Saskatchewan is going to play an integral role in helping farmers around the world produce more food," he stated.

Johnson agreed it is likely the first time in history a company from Saskatchewan has ended the day of trading as the most valuable company on the Toronto exchange.

However, it may not be the one and only day as analysts have been continually raising their expectations for PotashCorp shares. For example, in the space of a month, analysts at RBC Capital have raised its forecast for PotashCorp's share price from \$250 to \$300.

This month, the company's share price has gained nearly \$50 on news of large overseas price increases for Saskatchewan potash, including this year's sales deal with China which is coming in at \$400 a tonne higher than a year ago.

PotashCorp will report its first-quarter profits Thursday.

All this buzz is coming from a company that two decades ago emerged on the Canadian

corporate scene after nearly 15 years as a provincial Crown corporation in the wake of the partial nationalization of the Saskatchewan potash industry that occurred in the mid-1970s under an NDP government. The market value of PotashCorp is now nearly 60 times its initial worth after the nationalization was reversed in late 1989.

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