



Why Thompson Creek Shares Soared

Description

Although we don't believe in timing the market or panicking over market movements, we do like to keep an eye on big changes — just in case they're material to our investing thesis.

What: Shares of **Thompson Creek Metals Company, Inc.** (TSX: TCM) rocketed 17% today after the molybdenum miner's Q4 results easily topped Bay Street expectations.

So what: The stock slumped in 2013 on weak commodities prices, but Thompson's production in Q4 — full-year molybdenum production managed to grow 34% to 30 million pounds — coupled with a positive update at its key Mt. Milligan mine, are triggering optimism over a rebound in 2014. In fact, the company expects its second shipment of copper and gold concentrate from Mt. Milligan later this month, suggesting that development remains right on track.

Now what: Management expects Mt. Milligan to reach commercial production by the end of the current quarter. "We are very pleased with the quality of the concentrate, as well as the recoveries of copper and gold at this stage of the ramp-up," CEO Jacques Perron [said in a statement](#). "Throughput is proving to be a bit challenging, as we continue to experience issues in the grinding and flotation circuits. We believe these typical ramp-up matters will be resolved in due course." When you couple today's big rally with the economic *and* execution risks that Thompson still faces, however, Fools might want to hold out for a better risk/reward trade-off before jumping in.

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Date

2025/07/25

Date Created

2014/01/14

Author

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