



Why Thompson Creek Shares Took Off

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 miner **Thompson Creek Metals** (TSX:TCM) popped 10% on Friday after announcing the decision to suspend its molybdenum operations in Idaho.

So what: The company's Q4 results — adjusted loss of US\$28.5 million on revenue of US\$117.1 million — easily missed estimates, but management's move to suspend output at the TC mine eases plenty of analyst concern over its exposure to weak molybdenum prices. Additionally, management announced that its Mt. Milligan copper and gold mine achieved commercial production earlier in the week, reinforcing good vibes over its *growth* prospects as well.

Now what: Don't expect the operating momentum to let up anytime soon. "We are pleased with our operational achievements at our molybdenum mines as production and costs continued to improve," said CEO Jacques Perron in a statement. "As we look forward, we will continue to focus on the ramp-up at Mt. Milligan to full design capacity and look to strengthen the Company's longer-term financial profile." Of course, when you couple Thompson's still-hefty debt load with its recently hot stock price, I'd wait for some of the excitement to fade before buying into that bullishness.

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