



## 3 Surging Value Stocks I'd Buy With \$5,000

### Description

If you have some extra cash sitting on the sidelines that you are willing to invest in contrarian picks, I think **Cameco Corporation** ([TSX: CCO](#))([NYSE: CCJ](#)), **BlackBerry Ltd.** ([TSX: BB](#))(NASDAQ: BBRY), and **Teck Resources Ltd.** (TSX: TCK.B)(NYSE: TCK) are good bets right now.

Here's why.

#### Cameco Corporation

Last week, Japan announced plans to turn the lights back on at two of its nuclear power plants. According to analysts, Japan will restart as many as 30 of its reactors by 2019. That is certainly good news for the uranium industry, but the expected 90 net new power plants coming on line over the next 10 years is an even bigger reason to get excited about Cameco.

The resulting global uranium demand is expected to jump from the current level of 170 million pounds to 240 million pounds by 2023. At the same time, production is decreasing as companies delay expansion projects and cancel plans for new mines amid the current oversupply and low spot prices for uranium.

Prices have probably bottomed. After hitting a multi-year low around \$28 per pound, the spot price has rebounded and now trades close to \$40 per pound after a nice pop last week on the news out of Japan.

Utilities have been gobbling up cheap secondary supplies over the past couple of years, but the recent move in the spot price should start the ball rolling on negotiations for new long-term contracts, as fears of a supply squeeze gain traction.

Cameco owns the highest-grade uranium deposit on the planet, and its McArthur River mine is the world's largest. The company is still profitable at current prices, and investors should see a huge boost to free cash flow as the market continues to strengthen.

#### BlackBerry Ltd.

John Chen is winning the hearts, minds, and investment dollars of some of the world's smartest people. The Ontario Teachers' Pension Plan, or OTPP, recently increased its stake in BlackBerry to 8.23 million shares, or about \$100 million. The fund managers at OTPP are not gamblers, and the investment sends a strong message that Chen and his team might actually revive BlackBerry.

The recent success of the new Passport smartphone is building confidence in the market that the handset division is still a viable business. If the highly anticipated BlackBerry Classic also does well, the shares will likely take off.

There is also a lot of buzz around the earnings potential in the new Internet of Things, or IoT, space. Chen is excited about BlackBerry's prospects in the new market, and the company needs to carve out only a small niche in the anticipated multi-billion dollar business of helping companies securely connect their machines and gadgets to the Internet.

BlackBerry finally has some serious momentum building right now, and it might be a good time to hop on for the ride.

### **Teck Resources Ltd.**

As a low-cost producer in just about all of its operations, Teck remains profitable amid an abysmal market for its two top products: metallurgical coal and copper.

In its Q3 earnings statement, Teck said it managed to squeeze out gross margins of 23% in its met coal division, 46% in its copper operations, and 33% in its zinc group. Production cuts in the global met coal market should rebalance the oversupplied market by the end of next year, and copper prices have probably bottomed.

In 2018, Teck will start to reap the benefits of new production at its Fort Hills oil sands project. Teck owns 20% of Fort Hills, and the move from development to production will have a huge impact on cash flow. Add this to the improved margins expected with a coal and copper rebound, and you are looking at a stock that could easily double from current levels. In the meantime, you collect a nice 4.9% dividend while you wait.

### **CATEGORY**

1. Energy Stocks
2. Investing
3. Tech Stocks

### **TICKERS GLOBAL**

1. NYSE:BB (BlackBerry)
2. NYSE:CCJ (Cameco Corporation)
3. NYSE:TECK (Teck Resources Limited)
4. TSX:BB (BlackBerry)
5. TSX:CCO (Cameco Corporation)
6. TSX:TECK.B (Teck Resources Limited)

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