



## Buy Cameco Corporation Now, or You'll Regret it Later

### Description

The last bull run in uranium prices resulted in **Cameco Corporation's** ([TSX: CCO](#))([NYSE: CCJ](#)) stock nearly tripling, but these gains evaporated, with the stock crashing in the aftermath of the 2011 Fukushima nuclear disaster.

Since the disaster, the stock has been underpinned by the dark cloud hanging over the future of the uranium market, but now, recent changes mean that uranium demand is about to recover, taking Cameco's stock with it. With the stock currently trading at such a low level, and with the future demand for uranium looking promising, it is very likely that Cameco's stock can repeat its past performance in the upcoming bull run.

The recent resurgence in uranium's price was due to the news that Japan is moving to restart its nuclear reactors as early as next year, after shutting them following the nuclear disaster. When the news hit, Cameco's stock jumped almost 10%, giving a small amount insight into what is ahead for Cameco as uranium's demand starts to pick up.

### Quick rebound could be in store

Uranium's rout following the nuclear disaster was due to a fundamental, physical decrease in uranium demand as well as the negative sentiment surrounding the future of the use of uranium as a fuel. In the years since the disaster it has become apparent that uranium has a crucial component in many countries energy supplies, and as countries move to produce more energy with less pollution, uranium demand will only increase.

The uranium market could have a very quick reversal, with forecasts that a shortage will emerge as soon as 2018. The shortage will be a result of the increased demand while constrained supplies will also be a factor. By 2020 China alone plans to triple its use of uranium as a fuel. At the same time, the crash in prices has greatly altered uranium's supply chain. Prices fell far enough that they were well below the cost of production, forcing many smaller miners to mothball production.

Cameco, however, has kept its doors opened and is positioned to profit from this resurgence in uranium demand and increased prices. With less competition and forecasts for robust future demand, Cameco stock could very easily eclipse its past performance, and the bull run could already be underway.

## CATEGORY

1. Investing
2. Metals and Mining Stocks

## TICKERS GLOBAL

1. NYSE:CCJ (Cameco Corporation)
2. TSX:CCO (Cameco Corporation)

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