



Billionaire George Soros Is Buying This Stock

Description

The world's most hated commodity is finally moving higher and triple-digit gains could be on the way.

You're not going to get rich overnight. But as I'm about to show you, some of the smartest money managers are betting on this resource.

Prices simply cannot stay as low as they are today. And before the run is over, early investors could double their money or more.

George Soros is bullish on this commodity. Should you buy, too?

It's my favourite way to invest in the resource sector—and apparently legendary investor George Soros agrees with me.

The company is **Cameco Corporation** ([TSX:CCO](#))([NYSE:CCJ](#)), the world's largest uranium producer. Last week, SEC filings revealed that the billionaire investor boosted his stake in the mining giant. As of December, Soros owned 2.6 million Cameco shares valued at US\$41.9 million.

The stock is an odd bet. Following Japan's Fukushima nuclear disaster in 2011, uranium demand has fallen off a cliff. As a result, prices have been in freefall.

[uranium20202](#) Information from 2020-2020 is unknown

Source: *IndexMundi.com*

At least, that's the story everyone knows. But the industry may be on the verge of a turnaround.

Here are some facts. Today, uranium trades at US\$38/lb. However, the average cost to produce one pound of the radioactive metal is almost twice that figure.

This situation won't last. Large players are cutting output and small miners are going bust. Eventually, uranium prices must rise to meet the cost of production.

At the same time, demand is growing. Earlier this year, Japan announced that it was restarting some of its idle reactors. Emerging economies, such as India and China, are also expanding their nuclear energy programs.

As supplies tighten and demand grows, common sense says that uranium prices will go up. Of course, we don't know exactly when that will happen, but the situation cannot get much worse than it is now.

If uranium is on the verge of a new bull market, Cameco could be the best way to play the rally. As the largest producer in the world, the company has the scale needed to ride out the industry's doldrums. Thanks to the leverage inherent in the business, Cameco's profits could soar if uranium prices rise.

Smart money can't get enough of this stock

And Soros isn't the only investor backing up the truck on Cameco.

According to recent SEC filings, a number of hedge fund managers—including Ray Dalio, Joe Huber, and Jim Simons—have been accumulating positions in the stock. Billionaire investor Israel Englander also boosted his stake in the mining giant last quarter.

Now, I have to ask, what would have these money mavens so excited? I'd say it could only mean one thing — they see a huge rally ahead.

CATEGORY

1. Investing
2. Metals and Mining Stocks

POST TAG

1. Editor's Choice

TICKERS GLOBAL

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

Category

1. Investing
2. Metals and Mining Stocks

Tags

1. Editor's Choice

Date

2025/07/04

Date Created

2015/02/27

Author
rbailleul

default watermark

default watermark