



## Play Cameco Corporation and This 1 Other Stock for the Uranium Rally

### Description

I'm a fan of alternative energy. I like the idea of investing in energy from sources other than coal and oil. I'm constantly looking for solar, hydroelectric, wind, thermal, and nuclear investments. Based on my research, there are two companies that you should own for the uranium rally that will begin in the next couple of years.

There's no denying uranium has been obliterated since the Fukushima disaster a few years back. Countries around the world were worried that it might happen there, which has led to some countries actually decreasing the number of reactors they run. The reality is, though, that if these countries are serious about cutting greenhouse emissions, they're going to need to utilize nuclear power. It's one of the few ways to generate bulk electricity.

The two companies that I believe you should look at buying are **Cameco Corporation** ([TSX:CCO](#))([NYSE:CCJ](#)) and **Uranium Participation Corporation** (TSX:U). Both companies derive their income from uranium, which means that with low prices, you're getting in at a solid bargain.

### Cameco

Cameco Corporation is a mining company that specializes in uranium. It's one of the largest in the world, accounting for around 14% of total uranium production. That means it is in a good place when the price of uranium rebounds.

In the past couple of months it's risen a few dollars, but that has happened numerous times. Even at today's price Cameco is still a really attractive buy. If the price of uranium goes up into the \$70 range, this stock could be worth closer to \$40 a share.

My only suggestion is to wait to see what happens with the Canadian Revenue Agency. The CRA says that Cameco avoided paying close to \$1 billion in taxes. If that's found to be true, the stock could experience some serious setbacks. But some suggest that this might already be priced into the value of the shares, so buying it now could be a smart move.

## Uranium Participation Corporation

This is like buying an ETF in uranium. UPC is a holding company that issues shares of stock to raise money so that it can buy uranium. It then puts that uranium into a warehouse and waits for the value to go up, occasionally selling to generate some cash flow.

Unlike Cameco, which generates a dividend for investors, this stock is purely a buy-and-hold. You won't make anything until you liquidate. However, because most of its value is derived from the value of uranium, it's easy to calculate what the value of the stock is.

So, my strategy here is to just buy the stock and forget you have it. When you come back in five years, the value of uranium will be much higher and your returns on this stock will also be much higher.

### 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

2025/07/29

### Date Created

2015/05/11

### Author

jaycodon

default watermark