



## Comparing Teck Resources Ltd. to Goldcorp Inc.

### Description

In the past year, investors in **Teck Resources Ltd.** ([TSX:TECK.B](#))([NYSE:TECK](#)) and **Goldcorp Inc.** (TSX:G)(NYSE:GG) have experienced very different results. The one thing shareholders of both companies have in common is the roller-coaster ride of volatility they've experienced over the past 12 months.

In the case of Teck Resources, shares hit a 2016 low in January of \$3.65 and a high of \$35.67 in November. Investors who'd bought at the right time have had much to celebrate in the past 12 months. Investors who purchased shares in 2015, however, had to endure a terrible ride to the bottom and back up again. President Obama declared war on coal, and the resource sector pulled back as a whole.

Shares of Goldcorp have experienced a much more consistent drop in value. The total decline has been much less in percentage terms than Teck Resources. Shares of the gold miner have also bounced back from their 2016 low of \$13.55 in January to a high of \$26.56 in July. The total return from top to bottom was almost 100%!

Looking forward to 2017, shares of Teck Resources seem to have momentum on their side. There's a clear bullish trend: the 50-day moving average is above the 200-day moving average, translating to huge momentum upward. The problem with momentum, however, is that it can be lost. At the very end of 2016, shares took a step down and began trading under their 50-day moving average. In the short term, this is not a good sign.

But figuring out the long-term potential of any company is not based on technical indicators. According to the financials of Teck Resources, the tangible book value per share is \$26.65, and with shares trading above \$27.50, there is really no deal to be had for new investors. The resources mined by this company have had their run, and the easy money has been made. At this point, the profit for a new investor would only be marginal.

We find a different story with shares of Goldcorp. The company is only beginning to gain momentum; the stock has just crossed the 50-day moving average and is now moving in on the 200-day moving average.

Looking at the balance sheet, we find tangible book value of \$15.63 per share and a price per share of just above \$19. Clearly, shares are trading at a premium.

This year is bound to be an exciting one. President Obama, who has the personality of an accountant, is turning the U.S. over to Mr. Personality, who will undoubtedly do things very differently. Change can lead to very stressful situations. This leads us to ask, What resource do we want to hold in times of fear? Coal or gold?

## **CATEGORY**

1. Investing
2. Metals and Mining Stocks

## **TICKERS GLOBAL**

1. NYSE:TECK (Teck Resources Limited)
2. TSX:TECK.B (Teck Resources Limited)

## **PARTNER-FEEDS**

1. Msn
2. Yahoo CA

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