



Ride the Wave in Copper and Zinc With These Stocks

Description

Major commodities have experienced a surge in prices over the course of 2017. Growth in China and emerging markets has propelled copper to its first bull market in almost five years. Demand continues to be strong indicating that the bull market may have a lot of legs.

China, which is still committed to massive domestic infrastructure expansion, favours use of copper and aluminum wiring. Some experts see China making the move solely to copper, which would make a huge impact on demand and stir the bull even further.

Copper is also a favourite for use in green-energy initiatives, and the bright future of electrification is good news for the commodity.

Zinc prices experienced gains north of 60% last year and have continued to power forward in 2017. After a slight dip in early September, zinc is off to the races again and is challenging year-to-date highs.

Hudbay Minerals Inc.

Shares of **Hudbay Minerals Inc.** ([TSX:HBM](#))([NYSE:HBM](#)) have climbed 24% in 2017 and 92% year over year. The company released its second-quarter results on August 3; they showed promising developments in copper and zinc production.

Copper production increased 18% from Q1 2017 and zinc production was up 14% from the same period. Operating cash flow also grew 54% to \$124 million from the first quarter of 2017. Hudbay Minerals also posted a net profit of \$25.6 million or \$0.11 per share compared to a net loss of \$5.7 million in Q2 2016.

The stock has experienced a slight dip in early September, corresponding with the drop in zinc and copper prices. However, the stock has rebounded and should again challenge 2017 if both commodities continue to show strength.

First Quantum Minerals Limited

First Quantum Minerals Limited ([TSX:FM](#)) stock has experienced growth of 4.1% in 2017 and 31% year over year.

The Vancouver-based mining company posted its second-quarter results on July 27. Copper production increased 8% from Q2 2016 and 7% from Q1 2017. The company reported a low unit copper production cost. The company posted a net loss of \$18 million.

First Quantum has followed the aforementioned dip in copper prices but is on the rebound. "First Quantum's financial position is much improved," said CEO Philip Pascall. "Its debt maturity structure has been greatly strengthened following the liability management initiatives undertaken."

Ivanhoe Mines Ltd.

Ivanhoe Mines Ltd. ([TSX:IVN](#)) stock has surged 68% in 2017 and an impressive 129% year over year. The Vancouver-based mining exploration and development company released its second-quarter results on August 9.

In May, Ivanhoe showed a discovery indicating 116 million tonnes at 6.09% copper, and it inferred resources of 12 million tonnes at 4.45% copper. The new estimates put the total at one billion tonnes at 3.02% copper.

The estimates have propelled Ivanhoe mines along with the bull market in copper. Investors can again take advantage of the dip in stock price as copper continues on its bull run in the latter half of September and likely into the final months of 2017.

CATEGORY

1. Investing
2. Metals and Mining Stocks

TICKERS GLOBAL

1. NYSE:HBM (Hudbay Minerals Inc.)
2. TSX:FM (First Quantum Minerals Ltd.)
3. TSX:HBM (Hudbay Minerals Inc.)
4. TSX:IVN (Ivanhoe Mines Ltd.)

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Date

2025/07/05
Date Created
2017/09/25
Author
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