



## 4 Commodity Stocks to Watch as the Global Economy Strengthens

### Description

Commodities have continued to perform well to begin 2018, building off the bull market that raged on in the previous year. The global economy has demonstrated the strongest growth since the 2007-2008 Financial Crisis. A weak U.S. dollar, which cheapens commodities in competing currencies, has also contributed to the bull market.

With that in mind, here are four stocks that will continue to see prices surge if the commodity bull does not abate.

#### **North American Palladium Ltd. (TSX:PDL)**

North American Palladium is a Toronto-based precious metals producer, with a LDI palladium mine near Thunder Bay, Ontario. Palladium exceeded \$1,100 an ounce for the first time since early 2001. North American Palladium stock has already jumped 42.3% in 2018 as of close on January 10.

The company released its third-quarter results on November 3. Underground production increased 44% to 500,560 tonnes compared to 348,709 in the prior year. Adjusted EBITDA rose to \$22 million from \$10.1 million in Q3 2016. Net income climbed to \$11 million over a \$1.6 million loss in the previous year.

#### **Hudbay Minerals Inc. ([TSX:HBM](#))([NYSE:HBM](#))**

Hudbay Minerals is a Toronto-based integrated mining company that produces copper and zinc. [Zinc prices hit a 10-year high](#) to kick off 2018, and copper will average \$7,500 a tonne in the fourth quarter. Hudbay Minerals stock was up 4.96% at close on January 10.

Hudbay Minerals released its third-quarter results on November 1. It reported a 24% increase in operating cash flow to \$154 million and a \$40.9 million profit. The company posted consolidated copper production of 40,445 tonnes and consolidated zinc production of 36,635 tonnes — a 5% jump from the previous quarter. The stock also offered a modest dividend yield of 0.17%.

## **Altagas Ltd. ([TSX:ALA](#))**

Altagas is a Calgary-based diversified energy infrastructure company with three operating segments: gas, power, and utilities. Oil and gas prices have started 2018 strong on optimism from a continued OPEC production cut as well as [turmoil in the Middle East](#). Altagas stock has risen 0.77% in 2018 as of close on January 10.

The company released its third-quarter results on October 19. Normalized net income was posted at \$48 million or \$0.28 per share compared to \$38 million, or \$0.23 per share in the previous year. The company also announced an attractive quarterly dividend of \$0.18 per share, representing a 7.6% dividend yield.

## **First Quantum Minerals Ltd. ([TSX:FM](#))**

First Quantum is a Vancouver-based company specializing in exploration and development and produces copper, nickel, gold, zinc, and acid. The stock has increased 7.7% in 2018 as of close on January 10. The company released its third-quarter results on October 26.

It posted copper production of 145,376 tonnes and unit cost fell to \$2.05 total per pound. The company reported a gross profit of \$83 million compared to \$80 million in the prior year. Sales revenues jumped to \$877 million compared to \$605 million in Q3 2016. Shares have climbed 28.5% year over year, and the company continues to be a great hold as copper, nickel, and even gold surge.

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1. Investing

## **POST TAG**

1. Editor's Choice

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1. NYSE:HBM (Hudbay Minerals Inc.)
2. TSX:ALA (AltaGas Ltd.)
3. TSX:FM (First Quantum Minerals Ltd.)
4. TSX:HBM (Hudbay Minerals Inc.)

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