



## 5 Reasons Why 2018 Could Be a Comeback Year for Cameco Corp.

### Description

Shareholders of **Cameco Corp.** ([TSX:CCO](#))([NYSE:CCJ](#)) and junior uranium miners like **Denison Mines Corp.** ([TSX:DML](#)) have been patiently waiting for what has been close to a decade now for some sign — any sign — that the long-drawn-out bear market in uranium prices would soon come to an end.

Good news — the commodities market is starting to show some encouraging signals that a turnaround is already underway – this could very well turn out to be the catalyst that uranium prices have been so desperately in search of for years now.

But even beyond macro factors that could serve to drive commodity prices higher, Cameco has five more forces behind it that could make 2018 a great year for the company.

### A disciplined, long-term strategy

Cameco's strategy is to take advantage of long-term growth drivers driving nuclear energy, while also taking cues from the markets that will allow it to adapt to changing competitive dynamics.

Evidence of this is the company's announcement in November that it is [suspending operations](#) at the McArthur River mining facility and Key Lake milling site.

Obviously, it's not great news that the company will be cutting production, but the move shows that Cameco is serious about protecting the sustainability of the uranium market — a move which should reward shareholders over the long term.

### A world-class portfolio of mining assets

Cameco is the market leader among the world's uranium miners thanks to its world-class portfolio of mining assets.

Cameco's McArthur River/Key Lake mine is the world's largest uranium mine, and its Cigar Lake mine offers the highest-grade uranium deposits globally.

The market-leading quality of Cameco's assets gives the company a decided advantage in a low-price environment like today's.

### **Growing demand for nuclear energy**

Today, nuclear reactors are being built all over the world with 56 sites currently under construction in countries like China, India, and Russia.

In addition, the Japanese market, following a period where many reactors were taken offline as a consequence of the Fukushima disaster, is seeing several reactors starting to come back online.

### **The uranium market is expected to be undersupplied for the next decade**

Following the shutdown of many Japanese reactors, the uranium spot market became oversupplied, as Japanese reactors began unloading their uranium stockpiles, re-selling them in the secondary market.

Yet the oversupplied spot market ended up leading to a shutdown of many international mining operations, and the result today is a primary market that simply will not be able to meet oncoming demand and more reactors start up.

Cameco, meanwhile, thanks to its superior assets and disciplined approach, has been able to weather the current downturn and is enviably positioned to meet an undersupplied market.

### **Here's your catalyst — Kazakhstan cuts production by 20%**

On December 4, Kazakhstan's state-run uranium miner — which is also the world's largest uranium miner — announced it would be cutting its production by 20% in a bold attempt to remove the supply glut and provide a boost to uranium prices.

Cameco shares [rallied by 41%](#) over the next month on the back of the announcement but have since given back most of those gains, now trading only slightly above where they traded when the news was announced, making now an opportunistic time to pick up shares in the Saskatoon-based miner.

### **CATEGORY**

1. Dividend Stocks
2. Investing
3. Metals and Mining Stocks

### **TICKERS GLOBAL**

1. NYSE:CCJ (Cameco Corporation)
2. TSX:CCO (Cameco Corporation)
3. TSX:DML (Denison Mines Corp.)

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