



2018: The Year of Commodities — 4 Stocks That Will Help You Speculate on a Bull Market

Description

This year could very well turn out to be the year of commodities.

Following a bear market in commodities that extended five years between 2011 and 2016, there are encouraging signs that prices of raw materials are headed back up.

And with U.S. Treasury secretary Steve Mnuchin openly welcoming a “weak dollar policy,” this should only serve to fuel inflationary pressures, which have historically tended to drive up the value of natural resources.

These five stocks will not only help you hedge against inflation, but they’ll additionally help you to speculate on — and profit from — a bull market for commodity-related stocks.

Cenovus Energy Inc. ([TSX:CVE](#))([NYSE:CVE](#))

Last week I wrote an article titled “[5 Reasons Why I’m Loading Up on Shares of Cenovus Energy Inc.](#)”

In 2017, Cenovus acquired the outstanding 50% interest in its FCCL Partnership that it didn’t already own from **ConocoPhillips**.

The deal effectively doubled Cenovus’s production, yet almost inexplicably, shares are lower today than they were prior to the deal.

As well, Cenovus shares are currently trading below book value, making them an excellent deep-value play.

Teck Resources Ltd. ([TSX:TECK.B](#))([NYSE:TECK](#))

You can’t have a discussion about speculating on the direction of commodities without including Canada’s favourite B.C. miner in the mix.

Teck shares have already risen 10-fold since the commodity “bottom” in early 2016, yet following a consolidation period last year they have begun to take off again — shares are up 50% over the past four months.

Recent reports showed that the Chinese economy began accelerating again in 2017, which could be a very good omen for Teck shareholders.

Eldorado Gold Corp. ([TSX:ELD](#))([NYSE:EGO](#))

Eldorado was my top pick as part of Motley Fool's "[Top Stocks for February](#)."

The company ran into trouble late last year owing to disruptions at its Kisladag mine in Turkey.

Eldorado stock promptly sold off half its value on the news, yet the company's recent acquisition of Integra Gold in Quebec's gold-rich Eastern Abitibi region should help to offset some of those losses.

There are signs that gold miners are starting to break out, making this stock a timely buy.

Crescent Point Energy Corp. ([TSX:CPG](#))([NYSE:CPG](#))

After a sharp rally to close 2017, Crescent Point shares have given back most of those gains to start 2018, as the company has suffered from a supply glut that has plagued the Canadian oil sands.

Shares today are not only at their 52-week lows, but they are very near to their *all-time* lows.

It seems the market has all but given up on Crescent Point, yet the company's vast untapped oil reserves make this a great long-term growth opportunity.

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1. NYSE:COP (ConocoPhillips)
2. NYSE:CVE (Cenovus Energy Inc.)
3. NYSE:EGO (Eldorado Gold Corporation)
4. NYSE:TECK (Teck Resources Limited)
5. NYSE:VRN (Veren)
6. TSX:CVE (Cenovus Energy Inc.)
7. TSX:ELD (Eldorado Gold Corporation)
8. TSX:TECK.B (Teck Resources Limited)

9. TSX:VRN (Veren Inc.)

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