



## Don't Buy These Copper Stocks Unless You Want to Get Rich

### Description

In today's uncertain economic climate, every time a commodity's price dips, commentators are quick to announce its demise and hold up advisors for undue ridicule. But the fact is that each and every mineral and metal commodity currently trading is going to swing back [harder and stronger](#) sooner or later.

Instead of taking a short-term view, investors in Canadian miners should consider the facts. First of all, there are numerous industries with high demand for precious minerals and metals. Second, gold stocks in particular are seen as defensive plays and safe bets for long-term security, while cobalt and lithium are literally powering the tech industry.

Copper is the latest metal to be condemned to the slag heap. But a falling copper price and overlooked stocks should not deter capital gains investors looking for value opportunities.

#### **Lundin Mining Corp.** ([TSX:LUN](#))

Lundin Mining digs around 58% copper, giving investors a decent exposure to the red metal while also providing a bit of diversification. Slightly overvalued compared to its future cash flow value, this favourite of mining investors has a low P/E of 9.8 times earnings, PEG of 0.5 times growth, and P/B of 1.1 times book.

You can add to those perfect value multiples an expected 20.8% annual growth in earnings, low debt, and a dividend yield of 1.71% for your loyalty.

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

The closest you'll get to a healthy copper pure-play on the TSX, First Quantum Minerals operations are in the region of 80% copper. Discounted by 17% compared to its future cash flow value, First Quantum Minerals' P/B is one-to-one, so if you like your stocks to trade at book price, then you're in luck. However, the rest of First Quantum Minerals' value multiples are unreadable, as the company is currently taking a loss. Instead, look its discounted share price and spot-on P/B ratio.

The big draw for this stock is its 33.2% expected annual growth in earnings. Copper futures never looked so tempting. A very low dividend yield of 0.06% is what nutritionists might call a trace rather than a key ingredient. Still, if you owned \$1000 of stock you'd have earned enough for a few drinks to celebrate. Besides which, dividends aren't usually what people look for in mining stocks anyway.

### **The bottom line**

Getting into copper stocks just when advisors are starting to get cold feet is a great play. Forget the naysayers – with a huge global market for copper, miners of this metal are solid. With 49% of global demand coming from China and other major consumers including Germany, Japan, and South Korea, this is a commodity with a very stable base.

If you're looking to line your pockets (or your TFSA or RRSP), then go and grab a bunch of [copper stocks](#). Sure, prices of the orange stuff may be dipping now, but if you don't already own copper stocks, then this is excellent news. Long term, your shares are going to multiply vastly in value, so think about getting in low and selling high next time copper soars. It could be sooner than you think.

### **CATEGORY**

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

### **TICKERS GLOBAL**

1. TSX:FM (First Quantum Minerals Ltd.)
2. TSX:LUN (Lundin Mining Corporation)

### **PARTNER-FEEDS**

1. Msn
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