Forget Oil! 2 Uranium Stocks for a Master Investor

### Description

Vulnerable to the vagaries of bottle necking and subject to geopolitical machinations, oil stocks can sink or swim depending on oil prices themselves, with per-barrel valuation dictated by supply flow and market demand. Not only that, but the entire industry is earmarked for eventual shutdown by the more sustainable and less environmentally impactful renewables industry.



In the meantime, a partial solution exists in nuclear energy, and as such miners of uranium represent a sturdy alternative to the traditional core of oil-weighted energy suppliers beloved of the old guard of TSX index investors. Below are some salient stats for two of the best uranium stocks available to Canadian investors right now.

## Uranium Participation (TSX:U)

Who said metal investment holding companies can't compete with mining companies themselves? Down 3.77% in the last five days at the time of writing, Uranium Participation might be worthy of an award just for taking part, but its long-term reach is the real draw here.

That dip in share price is also no bad thing if you're a value investor on the lookout for a bargain. Indeed, a P/B ratio of 0.9 times book shows that Uranium Participation is a strong by right now for any investor looking for a cheap stock that straddles both the mining and energy industries. A P/E of 3.5 times earnings is perhaps a little too low, however, and while denoting excitingly good value for money, a ratio this depleted could be read as a red flag for performance.

Past-year returns of 14.7% may not seem all that high, but the fact is that this outpaced the industry as well as the market for the corresponding period. A beta of 0.32 relative to the Canadian market displays a high level of defensiveness, meanwhile, with a past-year ROE of 26% signifying a high-quality stock.

## Cameco (TSX:CCO)(NYSE:CCJ)

With one-year returns of 27.7%, this premier TSX index uranium producer has what it takes to outperform its closest competitors as well as the market itself. While value for money isn't Cameco's strong suit, a P/E of 38 times earnings bends the knee to a satisfactory P/B of 1.3 times book.

Cameco's level of debt compared to net worth has gone up a little during the last five years from 25.9% to the current 30% today, though this is both below the danger threshold and well covered by operating cash flow, which at 44.6% is greater than 20% of Cameco's total debt.

It's also important to note that more shares have been snapped up than shed by Cameco insiders in the last three months, and in significant volumes. A dividend yield of 0.5% is on offer and serves as a small sweetener for long-term shareholders.

## The bottom line

Carrying no debt, and with a faultless track record in this regard, Uranium Participation has a flawless balance sheet. A drop of 36.6% expected annual growth in earnings may be the real source of concern here, although it should be borne in mind that these estimates are subject to change. Cameco's 18.6% expected annual growth in earnings adds to the latter stock's buy signal and makes for a rare growth stock in the energy space.



**CATEGORY**

1. Energy Stocks
2. Investing
3. Metals and Mining Stocks
4. Stocks for Beginners

**TICKERS GLOBAL**

1. NYSE:CCJ (Cameco Corporation)
2. TSX:CCO (Cameco Corporation)

**PARTNER-FEEDS**

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

**Category**

1. Energy Stocks
2. Investing
3. Metals and Mining Stocks
4. Stocks for Beginners

**Date**
2025/07/22
**Date Created**

2019/04/14
**Author**
vhetherington