



These 2 Red-Hot Copper Stocks Could Soar Later in 2019

Description

The Twenties could be a time of extreme growth for copper. According to a report by Citigroup earlier in the year, per-ton prices of the popular base metal are estimated to leap by US\$1000 between 2022 and 2028. That's a huge amount of growth, and that's why it makes sense to get in now ahead of the rush and watch your investment grow into a serious amount of cash.

Today I'll be taking a look at two stocks that would suit a copper investor. The companies that look interesting in this space include **Teck Resources** ([TSX:TECK.B](#))([NYSE:TECK](#)) and **Lundin Mining** ([TSX:LUN](#)). Let's take a look at their prospects and see which would make a better addition to your metals portfolio.

Teck Resources

Paying a small 0.68% dividend yield, Teck Resources already has the upper hand in the fight here, though that's not usually what makes a metal stock appealing to a trader. Still, it's nice to have and certainly doesn't hurt Teck Resources chances of ending up in your shopping basket.

This stock has so much going for it that it's hard to know where to begin. A sizeable company valued at over \$16 billion, it's got some geographical diversification with a footprint that takes in assets in both North and South America. While it's not of direct interest to a metal investor, Teck Resources also owns a 21% stake in Fort Hills, meaning that its [mining operations are backed up with a significant oil sands interest](#).

Kicking the year off with several accolades from credit rating agencies, Teck Resources stock has seen a rush of interest from investors. Growth is the key aspect to buy and hold this stock, with the Quebrada Blanca Phase 2 (QB2) mine holding vast potential for copper output. In fact, it's this focus on copper that makes Teck Resources such a good play at the moment. Get ready for the cash to flow in abundance as production soars.

Lundin Mining

If you're a copper bull looking for a safe bet, this key stock in the Canadian metals and mining space has you covered. As renewable energy and the switch to electric cars gathers more momentum, copper will see a rush of demand. Around two thirds of Lundin Mining's output is copper, and even if you haven't been giving too much thought to this commodity, [Lundin Mining is in an excellent position to cash in](#).

Production is set to rise by almost a third within the next couple of years. That's a significant level of growth, and will show to investors that this is the stock to watch. Not only that, but with its production costs falling thanks to careful operations management, Lundin Mining's margin is set to widen, bringing in handsome profits.

The bottom line

While it's unusual to buy a metals stock purely for the dividend, the fact that Teck Resources pays one may give this stock the edge over Lundin Mining. However, its exposure to oil sands may have oil bears sitting on their hands. In my opinion, Lundin Mining's huge growth prospects and lowered overheads make it the better buy in the copper space today.

CATEGORY

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

TICKERS GLOBAL

1. NYSE:TECK (Teck Resources Limited)
2. TSX:LUN (Lundin Mining Corporation)
3. TSX:TECK.B (Teck Resources Limited)

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