



Forget Gold, Nickel Just Proved it's the Mineral to Beat

Description

There's been a ton of hype surrounding the gold industry lately. After trading lower and lower for years, the price of gold is finally up again to where it was almost a decade ago. The price was on a steady incline over the last 20 years, until about 2011 when the price hit an all-time high of US\$1,917.90 per ounce. But after that it dropped lower and lower, and for the last few years has been flirting with the US\$1,400 mark.

That is until recently, when the price finally surpassed US\$1,400. In fact, as of writing gold [now trades](#) at US\$1,518.18, making many wonder if now is the time to get in on gold. Especially with analysts predicting it could rise as high as US\$3,000 by 2030.

While I'm not saying you shouldn't, there's also another metal that's been doing incredibly well in the last while. In fact, even better than gold: nickel.

While nickel is certainly more volatile than gold, the price has hit a substantial increase lately that analysts believe should continue. In the last 20 years, the highest price was back in 2007 when it hit US\$51,854 per ton. Yet in the last five years, the price has lingered below US\$14,000 per ton.

Again, that is until recently when the price shot up US\$2,000 per ton to trade above US\$14,500. So what's going on?

The main issue is actually the denial of some bad news. There was fear that Indonesia would ban the mineral's export, a top producer of nickel. Yet the country's mining industry denied these rumours, sending the price up in a spike. This could be seen as bad news, as what goes up must come down. Especially when that upward trend is based on rumours.

So here's my advice: don't buy, for now.

When the metal drops again, I would absolutely then invest in nickel, and here's why. The metal is one of the best performing out there for a few reasons. First, stockpiles of nickel are dwindling around the world, meaning that more will be in demand and will send in yet another surge of prices. That demand will continue as nickel is used in high-demand products such as electric-vehicle batteries and stainless

steel.

Another major demand for the metal is China, the world's largest consumer of the metal. The country seems to want to continue its supply of nickel for the foreseeable future, which provides another strong reason to stick around with the stuff. But, of course, there's those pesky trade wars between the United States and China at the moment that could put a damper on the price should more tariffs be imposed on Chinese goods.

Should you buy?

As I mentioned, it might be best to use a wait-and-see approach with this metal for now. Whereas gold is providing more of a safe haven against the [potential for a recession](#), nickel is becoming more and more volatile. Should a ban move forward, the price could drop. If the ban is lifted, the price could surge. It's anyone's guess at this point.

However, if you're looking to dip your toe in you could certainly try with a stock such as **Royal Nickel Corporation**. The stock trades at \$0.50 per share at the moment, so is definitely not a huge investment, and mines both nickel *and* gold. No matter how you slice it, nickel will continue to be in demand while supply deteriorates. So investing in a stock like Royal Nickel could definitely be a great way to see what the future of the metal holds.

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