3 Stocks to Avoid if You Want to Retire

Description

Equally as important as what you put in your retirement portfolio, aspiring Canadian retirees should be aware of which stocks to avoid purchasing. These investors may want to stay away from **First Quantum Minerals** (TSX:FM), **Cameco** (TSX:CCO)(NYSE:CCJ), and **OceanaGold** (TSX:OGC).

These stocks offer hardly any dividends and more volatility than they are worth. You are better off leaving these three stocks to insiders and psychics, who can better predict which way the share price will go.

First Quantum Minerals

Rumours of merger talks have First Quantum Minerals stock up to $10.83 as of Monday morning. First Quantum is in discussions with Jiangxi Copper to sell a minority interest in First Quantum's Zambian copper assets. With negotiations incomplete, a mutually beneficial transaction may not take place.

First Quantum Minerals also denied talk of a takeover bid. The corporation claims that no potential takeover bids are coming down the way as far as company leadership is aware. Canadian investors who want to add copper stock to their portfolio may want to avoid this stock, as shareholders may react negatively to the minority interest sale.

This stock is too volatile. The share price rose from 2004 until it hit about $20 per share in 2007 before it sharply began falling. At a dividend yield of under 1% of the current share price, aspiring retirees should stay away from First Quantum.

Cameco

The *Ux Weekly* president Jonathan Hinz interviewed the president and CEO of Cameco, Tim Gitzel, on the future of uranium production in September. Canadian Cameco is the largest producer of uranium in the world at 18% of the world's supply.

Tim Gitzel spoke about his struggle to lead this industry after the 2011 Fukushima disaster. Uranium corporations like Cameco struggled with weakening demand for nuclear energy, leading to excess supply. Desperate suppliers then pushed prices down, shrinking profit margins for other firms in the industry, including Cameco.

Today, demand has returned to normal levels. Canadian investors, however, should be aware that this is a low dividend payer at 0.63% of the current $12.69 share price. Dividend investors may find that the returns to uranium output on the TSX are small in terms of both capital gains and dividends.

OceanaGold

The government of the Philippines are giving OceanaGold some difficulty regarding its Didipio mine, but things may be turning around. In July, the provincial government of Nueva Vizcaya has denied OceanaGold's injunction request to end the restraint of Didipio gold and copper exploration.

The stock is still up 13% for the month on news that the Philippine government Mines and Geosciences Bureau gave OceanaGold interim renewal of its Financial or Technical Assistance Agreement. This stock provides investors with a 0.74% dividend at its current price of $3.62, lower than the 3.95% prime interest rate in Canada.

In 2009, the price on OceanaGold's shares collapsed to a low around $0.25 per share. In July 2016, the stock hit a record high of $5.34 since 2007. Canadian investors who think OceanaGold will help them retire should look elsewhere. When it comes to gold, investors would be wiser to buy and store the actual metal in a recession — not low dividend stocks.

CATEGORY

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

TICKERS GLOBAL

1. NYSE:CCJ (Cameco Corporation)
2. TSX:CCO (Cameco Corporation)
3. TSX:FM (First Quantum Minerals Ltd.)
4. TSX:OGC (OceanaGold Corporation)

PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
5. Yahoo CA

Category

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

Date
2025/06/28
Date Created
2019/09/30
Author
debraray