



## Here's Why These 2 Metals Stocks Belong in a Growth Portfolio

### Description

Looking for growth in a mining stock? Today, we'll take a look at a pair of pure-play options from the worlds of uranium and palladium.

### This pure-play stock is skyrocketing

Palladium is this year's wonder metal. It's 30 times more rare than gold, and this year it over took the yellow stuff in value for the first time in 18 years. So, why else should an investor get in on palladium, a metal hitting highs not seen in almost two decades?

For one thing, palladium [still has a long way to run](#). From a logical point of view, nobody's putting any more of this stuff in the ground. And it's also a play in the environmental space, since around 80% of the world's palladium goes into catalytic converters, making vehicles more environmentally friendly.

It's a defensive play, too, as far as metals and mining stocks go. As the only pure-play option for palladium exposure to be found on any stock exchange, **North American Palladium** (TSX:PDL) is a solid wide-moat pick. It's popular this week, with a five-day average gain of 6.75% going into the week, rising to an impressive average of 12.86% by midweek as investors begin to recognize a rocketing superstar.

In short, it's been a good year for palladium, and North American Palladium's stock has been gradually rising since June, as the palladium outlook picked up. The massive upside potential isn't the only thing attracting investors, though. The skyrocketing palladium pure play offers new shareholders a moderate but welcome dividend yield of 2.78%, making it a suitable investment beyond the mining capital gains space.

### Nuclear energy could still be a long-range power play

**Cameco** ([TSX:CCO](#))([NYSE:CCJ](#)) is a stock much discussed by energy and mining investors alike, with detractors pointing to weak demand for uranium and proponents arguing for the place of nuclear

energy in the pantheon of state-sponsored power options.

Cameco stock is in positive territory this week, with investors seeking out the best-quality mining assets. Cameco is certainly that. It's one of the global leaders in uranium productions and owns the well-known McArthur River uranium mine. One of the best features of this stock is that it represents maneuverability in a key energy sector with the ability to bring mines back online and snap up new ones, [as demand picks up](#).

In fact, Cameco does something rather ingenious that few other stocks on the TSX are capable of pulling off: it remains positive in terms of cash flows during depressed activity in its own sector but is capable of pulling out all the stops as soon as the market starts to boom. While it's treading water at the moment and keeping contractors satisfied, once the market for uranium recovers, Cameco is well placed to capitalize on it.

## The bottom line

Palladium may be taking the place of gold in some defensive investor's portfolios. North American Palladium is in a great position, offering the best route to exposure in this booming metal, while also satisfying an income investment strategy. Cameco is another strong play for long-range investors seeking high growth in a currently depressed sector.

### CATEGORY

1. Energy Stocks
2. Investing
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### TICKERS GLOBAL

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

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