



ALERT: This Explosive Stock Just Hit a Massive Buy Signal!

Description

If you want to make beat the market (we're talking the **S&P 500**, not the **TSX Index** which is trivial to beat!), you're going to have to adopt a contrarian mindset. You've probably heard this Warren Buffett quote ad nauseam, but I'm going to drive it home it again because it's one of the most straightforward tips to forget when you're caught up in the heat of the moment.

You've got to be "fearful when others are greedy and greedy when others are fearful."

While that's simple enough to remember, it's hard to put into practice when it matters most. When talking heads always tout that things are different this time around, it's easy to label Buffett's words of wisdom as outdated.

Yet time and time again, [Uncle Warren's piece of advice](#) has allowed him to crush the markets over prolonged periods.

As a contrarian investor, you've got to act against what your emotions tell you. You've got to hold your nose and just hit the buy button when the markets are in freefall, even if your gut is telling you to lower the bar or wait for things to bottom out — unrealistic goals that lead one to miss out on opportunities to bag the biggest of bargains.

Consider shares of **Cameco** ([TSX:CCO](#))([NYSE:CCJ](#)), a stock that far too many investors have shunned over the years because of its [abysmal performance](#) that's thanks primarily to seemingly insurmountable industry-wide headwinds.

For those unfamiliar with the name, it's one of the world's largest uranium producers. Ever since the Fukushima Daiichi nuclear disaster in 2011, Cameco stock has suffered a meltdown of its own, as the masses shunned nuclear power.

A “safer” nuclear reactor could reverse sentiment of nuclear power and fuel new demand for uranium

As the war against fossil fuels reigns on, the need for cleaner sources of energy is only going to rocket higher. Although public opinion on nuclear power is arguably near its low point, nuclear power plants will make a resurgence as people realize the potential harm could be drastically reduced through new plant designs that could be made accident-proof through the leveraging of next-generation technologies.

Past nuclear disasters, such as the one in Fukushima, were based on older, more accident-prone reactor designs. And although future nuclear reactors like the concepts designed by TerraPower (a nuclear power design firm founded by Bill Gates) could astronomically reduce the risk of a meltdown with ample redundant structures.

China has expressed great interest in embracing nuclear power, and should a modern-day nuclear plant design gradually change the public perception of nuclear power, the appetite for uranium could skyrocket over the next few decades.

Cameco isn't a name that'll rebound overnight, however. Indeed, it could take a decade or more for the stock to correct upwards to its true worth.

If you've got a long-term time horizon, however, the stock looks absurdly undervalued at 0.9 times book. And with the stock touching down with a strong support level at around \$11, I'd encourage contrarians just to hold their nose and buy the stock while it hovers near its multi-year lows.

Should accident-proof nuclear reactor designs show promise in interested markets like China (while the fossil fuel sentiment dips), Cameco could be poised to post a turnaround for the ages in the 2020s.

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