



## Buy This 1 TSX Metals Stock for Income Portfolio Safety

### Description

Metals stocks come in a range of shapes and sizes. As such, they satisfy a variety of buying strategies. There is something for every investor in this field. The biggest names offer sturdy passive income. Smaller names offer steep positive momentum. Then you have the safe-haven assets of gold and, to a lesser extent, silver. The green economy is booming, meanwhile, and driving demand for copper, lithium, and cobalt.

But some stocks are all-purpose stars that bring a bit of each of these qualities. Today, we will take a look at a stock that offers that key ingredient that every stock portfolio needs right now: diversification.

### A top Canadian metals stock for an income portfolio

Even the most cursory glance at the stats for **Lundin Mining** ([TSX:LUN](#)) tells investors two things. The stock is devalued by around 74% of its fair value, so its upside potential is huge. Lundin is also looking at annual earnings growth of 33.6%. Now, mix in the possibility for rocketing copper demand and some gold safety. The thesis is that Lundin is shaping up to be a seriously [strong name to buy on weakness](#).

Dividend investors should also sit up and take notice. Mining stocks are not renowned for being sources of passive income. Of course, there are some big names in the industry, which are well known for their dividends. But beyond this, metals and mining stocks are, more often than not, a play for capital appreciation.

Lundin offers a bit of both worlds, though. This popular metals stock pays a dividend yield of 2.6%. It has also largely sat out the market crash, enjoying share price appreciation of 11.9% in the last month. This name is strongly diversified across metals, which lends an element of safety. With just one stock, investors gain instant access to the copper, zinc, nickel, and gold markets.

Diversification is key to [long-term portfolio safety](#). This is true no matter what the market is doing. But it's especially true during a downturn. Lundin's spread of metals offers investors a lower-risk play on a sector that is key to Canada's economic strength. Investors already holding metals stocks may want to consider thinning out that segment of their portfolios. It might very well be worth making room for this

name.

Lundin is also an indirect play for investors who are not overly familiar with the green energy boom. Copper is highly sought after for use in alternative fuel systems. As green power goes mainstream, copper demand is likely to rocket. This will boost copper prices and strengthen the bottom line for producers. This will in turn bring knock-on upside and long-term value for invested parties.

## The bottom line

The case for green energy investing strengthened considerably when oil prices crashed Monday. Low-exposure routes such as Lundin are an increasingly stronger play right now. Copper upside is likely to be one of the main growth themes of the decade. Lundin also offers some of the safe-haven qualities of gold via its assets in the precious metal.

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1. Dividend Stocks
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1. clean energy
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### TICKERS GLOBAL

1. TSX:LUN (Lundin Mining Corporation)

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