



2 TSX Stocks That Could Soar in 2020

Description

Commodities markets have been odd this year, while oil is going through one of the most unprecedented crashes in history, many other commodities markets are seeing a shortage in production. This is creating the perfect environment for several **TSX** stocks.

[Gold](#), for example, is likely to see a major increase in demand this year as governments put downward pressure on their currencies. Yet many mines around the world remain shut down due to stay-at-home orders.

This could create an opportunistic environment not only in gold prices but also in gold stocks.

Gold isn't the only commodity that could see a supply shortage, however in 2020. Silver and uranium could also see supply shortages send the spot price of the commodities soaring.

Uranium TSX stock

While the uranium market is not often discussed, the industry is crucial for the global economy. Uranium powers several nuclear reactors around the world, creating electricity for millions of people.

However, with shutdowns globally due to COVID-19, the uranium market could see a major shortage this year.

Currently, more than 40% of the world's supply is offline, and it's still unclear how long some of these mine suspensions may last.

One TSX stock that's one of the biggest uranium producers in the world is **Cameco Corp** ([TSX:CCO](#))([NYSE:CCJ](#)).

While these shortages may impact Cameco in the short-run and cause its stock to increase, the real opportunity in Cameco shares lies long-term.

Nuclear reactors continue to be built around the world as demand for cleaner energy continues to climb. Cameco is well positioned to meet that demand, with some of the highest quality uranium deposits in the world.

Estimates have the demand for electricity growing by more than 50% over the next 20 years, and almost all of that will be nuclear or renewable energy.

Cameco has some mines with activities suspended that could ramp back up to full production rapidly, putting it in a prime position to take advantage of any shortage in the uranium market.

It's unclear how the supply and demand will work out at this point, but one thing's for sure, long-term Cameco is one of the top growth stocks on the TSX.

Silver TSX stock

The silver markets are much like the gold markets. Currently, with central banks printing money at unprecedented rates, the price of precious metals will inevitably see a major uptick. Currencies are being devalued around the world, which will naturally increase the demand for precious metals.

At the same time that there will be an inevitable increase to demand for silver, many mines are shutting down right now, limiting available supply.

This will create a significant shortage and should send spot prices through the roof.

One of the top silver stocks on the TSX is **First Majestic Silver Corp** ([TSX:FR](#))([NYSE:AG](#)).

Although silver has a lot more industrial uses than gold, the two metals have always traded similarly. In periods where the money supply is going up, and inflation expectations are rising, gold almost always appreciates first.

However, soon after, as the gold to silver ratio rises, silver eventually rallies, and it's almost always a higher percentage gain than gold.

Back in 2008, gold started to rally in October. This rally lasted nearly three years, and the price of gold appreciated by roughly 150%. Silver slowly started to gain in 2008 as well, but it wasn't until 2010 that the metal skyrocketed. In total, the price of silver rallied nearly 400%, well more than gold.

The current gold to silver ratio is more than 110. To put that into perspective, the gold to silver ratio hasn't been above 100 since 1991.

When the silver market takes off, First Majestic will be best positioned. 60% of its revenue comes from selling silver, the most of any TSX stock.

Although the company has [suspended its 2020 guidance](#), silver is poised for a long-term rally, and First Majestic will be ready to take full advantage.

Bottom line

These two TSX stocks represent major long-term growth opportunities. The supply and demand markets are creating significant capital appreciation potential. So if you're looking for a long-term stock to buy, these are two of the most exciting businesses to consider today.

CATEGORY

1. Investing
2. Metals and Mining Stocks

TICKERS GLOBAL

1. NYSE:AG (First Majestic Silver)
2. NYSE:CCJ (Cameco Corporation)
3. TSX:CCO (Cameco Corporation)
4. TSX:FR (First Majestic Silver)

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Date

2025/08/18

Date Created

2020/04/30

Author

danieldacosta

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