



3 of the Best Copper Stocks to Buy in 2021

Description

Commodities investing got a shakeup last year with the gold bull run. But another metal could be on the rise. With less of the capital risk and some of the upside of gold, copper looks solid in 2021. Copper is also a reduced exposure play on everything from electric vehicles to solar energy. From a gold miner with a copper fallback, to a copper miner with some gold under its belt, here are three solid picks for exposure to the orange metal.

The world-beating gold stock

Barrick Gold ([TSX:ABX](#))(NYSE:GOLD) is, of course, better known for its access to the precious yellow metal. But Barrick also has a fail-safe mission statement with regards to copper. As per its website: “Barrick is focused on high-margin, long-life operations and projects clustered in the world’s most prospective gold districts, and supporting these with a robust copper business.” A supporting role it may be, but Barrick is a solid play for copper.

Barrick’s copper operations are spread across three distinct geographical zones. This allows for some diversification, though of course not as much as its gold operations. However, these copper assets should reassure the gold investor nervous about a pullback off 2020’s overheated prices in the yellow metal. More pertinent to the thesis at hand, though, is the fact that Barrick’s access to copper is dependent on more than one source.

The diversified metals miner

Lundin Mining ([TSX:LUN](#)) is almost the reverse of Barrick in terms of commodities exposure. Focused on copper, Lundin also mines some gold. But for the purposes of the current precis, Lundin is a [top copper mining stock](#). Lundin’s price targets are appealing, with as much as 66% upside ahead. A dividend yield of 1.3% is also on offer, although the stock’s strongest attributes are arguably its balance sheet and growth potential.

In fact, total returns by 2026 could be in the 300% range. As with any copper producer, the potential for

boosted revenues from the tech and [renewables space](#) is palpable. Since earnings have grown by 31% in the last year, a conservative estimate of annual growth of 25% annually looks realistic. In short, this is looking like a healthy, predictably rewarding stock for copper bulls to buy in 2021.

The renewables energy angle

Teck Resources ([TSX:TECK.B](#))([NYSE:TECK](#)) is similarly diversified as its above-mentioned mining peers. With a focus on copper, Teck Resources also counts coal, zinc, gold, and energy among its assets. This makes Teck Resources another top copper stock to buy for its diversified assets. But one of the first things that you'll see if you visit the Teck Resources website is that its commitment to renewable power is front and centre.

So, for investors keen on carbon neutrality and sustainable business practices, Teck Resources ticks a lot of boxes. Indeed, one of the key moving parts of a copper growth thesis is the renewables angle. One of the things that recommends Teck Resources for a diversified stock portfolio is its fundamentals. Trading at 65% of fair value, Teck Resources' P/B of just 0.6 times book denotes an oversold name.

CATEGORY

1. Dividend Stocks
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TICKERS GLOBAL

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2. NYSE:TECK (Teck Resources Limited)
3. TSX:ABX (Barrick Mining)
4. TSX:LUN (Lundin Mining Corporation)
5. TSX:TECK.B (Teck Resources Limited)

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