



Commodity Bull Market: The Best TSX Stocks to Buy Right Now

Description

North American markets have had a strong start to 2021. The COVID-19 pandemic continues to weigh on domestic and global economies. However, the vaccine rollout has inspired optimism for the months ahead. The World Bank recently projected that the global economy would expand by 4% in 2021. Today, I want to look at four top TSX stocks that investors should snatch up in this environment.

Commodity prices have built momentum in the face of a global recovery. That is why I'm zeroing in on commodity-linked TSX stocks in the latter half of January.

Two top TSX stocks to buy as metals surge

Steel prices have surged to their highest levels since 2008. The benchmark price for hot-rolled steel reached a record high of US\$1,080/ton in December 2020. Steel remains in tight supply to start the new year, which could support these high prices well into the midway point of 2021.

Stelco Holdings is a Hamilton-based company that produces and sells steel products in North America. I'd [suggested that investors snatch up](#) this TSX stock when it was priced below the \$10 mark in the early spring of 2020. Shares of Stelco closed at \$23.93 on January 20. The stock is up 122% year over year. Soaring steel prices should provide a boost to Stelco in the near term.

Russel Metals ([TSX:RUS](#)) is another metals-focused equity to target right now. Shares of this TSX stock have increased 9.5% from the prior year. In Q3 2020, Russel saw EBITDA dip marginally to \$47 million compared to \$49 million in Q3 2019. However, cash from operations improved to \$81 million over \$65 million in the previous year.

Shares of Russel Metals possesses a solid price-to-book value of 1.6 at the time of this writing. Even better, this TSX stock offers a quarterly dividend of \$0.38 per share. That represents an attractive 6.4% yield.

Here is why I'm snatching up copper producing stocks today

Copper prices have gained significant momentum over the past year. On the Comex market, copper for delivery in March neared at eight-year high. The hopes for a global recovery and stimulus in the United States has provided a big boon for this market. Copper is in a good position to build on its momentum in 2021 due to low inventories and bullish demand.

Copper Mountain Mining ([TSX:CMMC](#)) is a Vancouver-based open-pit copper mining company. Its shares have climbed 201% year over year as of close on January 20. The stock is up 123% over the past three months.

The company released its third-quarter 2020 results on November 2. Revenue rose to \$94.9 million — up from \$62.7 million in Q3 2019. Gross profit surged to \$42 million compared to a \$1.42 million loss in the previous year. Moreover, adjusted EBITDA increased to \$33 million — up from \$1.78 million. Rising copper prices will continue to boost earnings in the quarters ahead.

Lundin Mining ([TSX:LUN](#)) is the last TSX stock I'd snatch up today in this bullish environment for commodities. This company is engaged in exploration, development, and mining of mineral properties around the world. I'd [targeted Lundin](#) back in early 2018 when base metals were on a roll.

The company saw revenue rise to \$1.51 billion in the year-to-date period in Q3 2020 compared to \$1.32 billion for the same period in 2019. Adjusted EBITDA climbed to \$622 million — up from \$476 million. Lundin boasts a great balance sheet on is on track to close out a fantastic 2020 on the back of a base metals bull market.

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3. TSX:RUS (Russel Metals)

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