



1 Intriguing Renewables Play With Tonnes of Upside Potential

Description

Pure-play uranium miners have been out of favour for some time. Investors may remember the terrible [Fukushima Daiichi](#) nuclear disaster. This past decade has been relatively terrible for uranium stocks, as a prolonged period of low commodity prices ensured.

That said, we're now starting to see a major recovery in uranium prices. Once again, green energy is back in the limelight. And nuclear power happens to be one of the greenest mass energy sources out there.

With the ESG trade on in full force, there's tonnes of potential for uranium miners today. Accordingly, I'd invite investors to consider companies such as **Cameco** ([TSX:CCO](#))([NYSE:CCJ](#)) right now.

Global nuclear production capacity set to increase

Lowering greenhouse gas emissions is becoming ever-more important these days. ESG investors are piling into everything green, and nuclear power is, once again, in.

Uranium, and its rare earth counterparts, are used as key minerals in the production of not only nuclear power but battery development as well. For those betting on a green energy transformation, Cameco is a very solid long-term pick.

Of course, the vast majority of Cameco's production is tied to nuclear power. Accordingly, this is the key facet investors need to keep an eye on. However, the broad ESG trade is at play here, and I anticipate government support for nuclear power to proliferate over the long run as global greenhouse gas emissions are made more aggressive.

Currently, Asia is the biggest market for nuclear power, and therefore uranium, right now. Investors in companies like Cameco are therefore betting on Asian demand continuing to rise. In recent decades, that's been a pretty safe bet.

Resumption of operations bullish for Cameco

Following a five-month suspension of Cameco's Cigar Lake operations, the company recently announced it would be resuming its mining operations. The temporary halt of the company's Cigar Lake mine was tied to the pandemic. The company reduced its workforce, undertaking maintenance on this mine in recent months.

Various social-distancing measures and other safety protocols were put in place to ensure the safety of miners amid the resumption of activity. Indeed, investors appear to be bullish on this announcement, with Cameco shares up more than 17% year to date.

No updates have been provided in terms of production numbers resulting from this resumption of activity. However, those bullish on how uranium prices will perform over the medium to long term may want to consider Cameco today.

Bottom line

As far as non-evident ESG plays go, Cameco remains an intriguing pick.

I think the company's approach to dealing with the COVID-19 pandemic has been prudent. Furthermore, I think this stock has tremendous upside should production numbers continue higher over the medium term along with uranium prices.

Right now, I'm bullish on commodities, and Cameco is an intriguing pick for investors in the same boat.

CATEGORY

1. Investing
2. Metals and Mining Stocks

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