



## Soaring Copper Prices Make This Top TSX Stock a Buy Today

### Description

Copper is on a roll right now. Indeed, soaring copper prices align with the market's expectation of growth in the near future.

Copper is one of those base metals that is highly correlated to expectations of economic growth. Accordingly, as recovery measures, vaccine drives, and climate pledges continue to strengthen this economic outlook, copper has taken off.

With copper now trading around all-time highs, here's why **Teck Resources** ([TSX:TECK.B](#))([NYSE:TECK](#)) is a [top pick](#) of mine in this space today.

### Copper continuing higher

Copper, a barometre of the global economy, is reaping the benefits of a very bullish macroeconomic growth picture. Central banks worldwide are announcing stimulus packages. Governments continue to double down on climate pledges. Both are key factors driving the price of copper up.

Copper is used as an industrial metal and is one of the most widely used metals in the renewable energy space. As industrial activity picks up, and clean energy investment soars, so too does copper demand. Copper is often looked to as the "canary in the coal mine" when it comes to forward projections of economic performance. If this is the case, we're due for a nice boom on the horizon.

Additionally, supply and demand appear to be out of whack in the copper space. The aforementioned demand boost that's being priced in comes alongside supply issues. A group of workers with a top copper producer in Chile is protesting in lieu of weak pandemic relief policies, jeopardizing copper's near-term supply.

Copper rose to approximately US\$10,000 per metric tonne on the London Metal Exchange. This is move has pushed copper to compete with all-time highs set one decade ago.

Accordingly, some level of speculation can also be credited for the rise in copper price of late. While

some speculative buying may dissipate over time, the reality is that the supply/demand fundamentals underpinning copper's rise remain strong.

## Teck making the most of this situation

Teck's share price has reflected the bullish sentiment in copper of late. As a key player in base metals mining, Teck has seen its share price more than double over the past year. This Canadian mining company is often viewed as a long-term play on this sector. Today, Teck is seeing some very bullish buying reflecting sentiment among metals investors today.

Teck's recent quarterly earnings showed the kind of impact base metals played for this miner. The company's a big player in zinc, blended bitumen, and copper production. Accordingly, a rise of more than 30% in adjusted Q1 profits signals the impact these rising prices has on Teck's bottom line.

Tech noted its average price realized for copper increased 13% to US\$3.92 per pound. However, experts are predicting that with a scarcity of new mines, there can be deep structural supply deficits by 2025. Furthermore, given where copper prices are today, there's room for optimism around future earnings from here.

For those who believe base metals will continue their run, Teck is an intriguing choice today.

### CATEGORY

1. Investing
2. Metals and Mining Stocks

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### TICKERS GLOBAL

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chrismacdonald

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