



1 Top Canadian ESG Stock to Buy Right Now

Description

Commodities stocks generally aren't what most investors consider to be [growth plays](#) in the long term. However, investors seeking out companies focused on commodities with a tilt toward growth may be interested in a top Canadian ESG stock that's growing in prevalence.

I'm specifically talking about **Cameco** ([TSX:CCO](#))([NYSE:CCJ](#)). This uranium miner has been out of favour among some investors for some time. Indeed, terrible incidents, such as the accident at the Japanese Fukushima Daiichi nuclear power plant, have taken a toll on investor enthusiasm. Moreover, there has been a long-standing period of low commodity prices for uranium.

However, the world is witnessing a massive recovery both in uranium demand and prices. Climate change has shifted global attention to clean and green energy. Thus, renewable energy is once again at the centre of discussion. Nuclear energy is one of the greenest sources of energy available today.

With an increased focus on [ESG](#) trade, uranium plays have more potential today than ever. Here's why Cameco is a top ESG play on TSX right now.

Good days for this ESG stock ahead

Cameco is one of the top uranium producers worldwide. Recently, there have been concerted global efforts to reduce dependency on fossil fuels and thereby reduce carbon emission. This will lead to an increase in demand for nuclear power, which will directly benefit uranium producers. At least, if one follows what the experts think on the subject.

From a fundamentals standpoint, Cameco appears to be in good shape. The company has a stable balance sheet and more cash than debt. Additionally, Cameco has announced plans to focus on building new reactors that will help it to meet increased uranium demands.

Moreover, the global uranium market is set to recover greatly due to continuous cuts in material production costs and inventory hoarding by many market participants. These signs of recovery might be too early. However, they bring a highly positive outlook for Cameco stock in the coming years.

Cameco has also recently resumed its operations in Cigar Lake, which stopped due to pandemic-related restrictions. This resumption following a five-month suspension has [boosted](#) Cameco's share price and subsequently investor confidence.

Bottom line

Cameco registered a loss of \$37 million in the second quarter of the current fiscal year due to a five-month production suspension. It has also suffered a 32% fall in its revenue. However, as per company sources, the Q2 loss of \$37 million is 30% lower than the company's \$53 million loss last year.

Accordingly, Cameco's adjusted profit for the three months ending on June 30 stood at \$38 million as opposed to \$65 million in Q2 of 2020. Revenue, however, dropped to \$359 million from \$525 million.

Cameco is well positioned to deliver impressive market performance in the near, medium, and long term. The company has handled the pandemic quite efficiently, making Cameco a stock with enormous growth potential. Those looking to invest in commodities should seriously consider this top TSX ESG stock.

CATEGORY

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