



1 Top TSX Mining Stock Set to Take Off in August

Description

Investors seeking a top-notch mining stock don't have to go far in Canada. Indeed, Canada has some of the most [undervalued](#) mining stocks on the market right now. Accordingly, the TSX happens to be one of my favourite places to look for value today.

In the mining world, copper and base metals miners have become focal points of late. The rapid rise (followed by a significant selloff) in this sector has stoked interest among these plays for the first time in a while. Expectations of skyrocketing demand for industrial metals has spurred interest in companies like **Teck Resources** ([TSX:TECK.B](#))([NYSE:TECK](#)).

Indeed, it's my view that copper and other base metals could still see upside from here. Given the recent selloff we've seen in commodities, this could be the breather long-term investors need to get in.

Let's dive into why Teck is on my radar right now.

Bullish analyst outlook

RCB Dominion Securities analyst Sam Crittenden feels Teck Resources is set to have a financially robust second half. Teck Resources registered weaker-than-expected results in the company's second quarter. However, Mr. Crittenden believes the mining company will greatly benefit from soaring metallurgic coal prices.

He also thinks that Teck Resources can trade for a better valuation in comparison to its peers in the next two years. But for that to happen, the company needs work on its Quebrada Blanca Phase 2 project (QB2). Teck experienced some hiccups at QB2 during the second quarter when 300 of its workers had to quarantine. However, the situation has improved. A reduction in camp restrictions has allowed Teck to ramp up and accelerate its production. Teck will be able to trade at better multiples once it completes developing the QB2 project.

Mr. Crittenden has kept an "outperform" rating for Teck Resources shares. He has increased his target from \$35 to \$37. As per Refinitiv, the average target on Wall Street stood at \$34.25. Currently, Tech

trades around [\\$27.50 per share](#) at the time of writing.

Bottom line on this top mining stock

Copper is greatly benefiting from a bullish economic growth picture. There is a massive shift towards cleaner energy worldwide to tackle climate change. This metal is widely used in the renewable energy sector. As investments in green energy pick up momentum, the demand for copper has skyrocketed. Increased adoption of EVs and battery usage are likely to keep copper demand intact for the long term.

I think Teck's current share price factors in only a portion of this bullishness. Accordingly, I think Teck remains a mining stock worth considering at these levels.

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1. Investing
2. Metals and Mining Stocks

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