



## Why Cameco (TSX:CCO) Stock Is up 64% in 3 Weeks

### Description

Something interesting is brewing in the global energy market. Demand for energy is hitting record highs, but suppliers are struggling to keep up. There's a growing gap in the market, which is pushing prices up, particularly for a type of energy that's often been overlooked: nuclear. Now this imbalance has intensified, pushing [uranium stocks](#) like **Cameco** ([TSX:CCO](#))([NYSE:CCJ](#)) to multi-year highs.

This trend has already pushed uranium stocks to six-year highs. Cameco stock was up another 6% as the market opened this morning. There could be plenty more room to grow. Here's what investors need to know.

### Why are uranium stocks surging?

Since the Fukushima disaster in March 2011, the market has been wary of nuclear energy. Governments across the world have neglected nuclear infrastructure, while the public was focused on the battle between fossil fuels and renewables.

However, the world's energy demand has expanded rapidly, while fossil fuel sources are being abandoned and renewables struggle to catch up. This gap, according to experts, can only be plugged with nuclear energy. In other words, nuclear power is a necessary bridge to complete the energy transition.

The problem is that uranium, the underlying nuclear fuel, is in acutely limited supply. Only three countries (Canada, Australia, and Kazakhstan) produce 65% of all uranium. This year, the supply was further constrained by **Sprott Asset Management**, whose Sprott Physical Uranium Trust is accumulating physical supply at a torrid pace.

In short, Sprott is cornering the market, and that's pushing uranium prices to record highs.

### Top uranium stocks to bet on

Cameco, the world's largest uranium producer, is an obvious bet in this space. The stock has doubled over the past year, but the rally has intensified in recent weeks. Since late August, Cameco stock is up

64%. As Sprott keeps accumulating uranium supplies, Cameco's rally could extend further.

During the previous uranium boom in 2003-2007, Cameco's stock surged 1,100%. That's a compound annual growth rate of 86%! This time, some experts believe, the rally could be much bigger. Investors seeking growth at reasonable prices need to take a closer look at this opportunity.

Meanwhile, smaller players like **NextGen Energy** and **Fission Uranium** could have even more room to grow, simply because of base effects. Fission Uranium, for instance, is up 12% today. If you're seeking hyper growth and don't mind a little volatility along the way, these obscure uranium stocks could be a better pick.

## Bottom line

Cameco stock is up 6% today and 64% over the past three weeks. The world's largest uranium producer is benefiting from a supply crunch. Demand for energy has never been higher and nuclear infrastructure is lagging far behind. This supply crunch could last years and be intensified by Sprott's new fund that's trying to corner the market.

Investors seeking growth at reasonable prices and a multi-year trend should pay close attention to uranium stocks.

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2. TSX:CCO (Cameco Corporation)

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