



This Is the Best-Performing TSX 60 Component in 2021

Description

The **TSX 60** is a group of the 60 top-performing equities on the TSX Index. And right now, there are several companies that have been doing well. Even as the market rebounds and [growth stocks](#) become harder to find, the TSX today continues to offer [strong options](#) for Motley Fool investors to consider.

However, if you're looking for the *best*-performing stock on the TSX today, there is one sector blowing up right now. And within that sector, there is one Canadian stock Motley Fool investors should keep an eye on. But does that [mean investing](#)? That's an entirely different matter.

The stock to watch on the TSX today

The best-performing stock on the TSX today has to be **Cameco** ([TSX:CCO](#))([NYSE:CCJ](#)). Cameco stock has been blowing up for a variety of reasons. Some of them are lucrative for long-term investors; other reasons are quite worrisome — especially for those looking to make short-term investments.

Cameco stock is up 107% in the last year alone. But while a Motley Fool investor would hope that would be a slow, steady climb, it certainly isn't. Shares are up 68% year to date and a whopping 45% in the last *month*. So, what on earth is actually going on with this stock?

The good

The good news for long-term investors is that Cameco stock started to climb on the TSX today for a good reason. The uranium industry is on a rebound thanks to the reinvestment in nuclear reactors. Nuclear reactors got a bad rap (rightly so) after the Fukushima disaster in 2011. This sent the price of uranium bottoming out. However, nuclear power is a clean energy source that world leaders can no longer ignore.

This includes President Joe Biden, who announced he would be making a significant investment into clean energy projects. That includes existing projects like nuclear reactors across the country. So,

Cameco stock started to climb, as it's one of the largest uranium miners in the world! So that, my friends, is the good news.

The bad

The bad news? While uranium minerals are likely to see a boost in share price on the TSX today, and indeed already are, eventually, there will be a breaking point. Once the price of uranium reaches around US\$60 per pound, analysts believe that's when uranium producers will start eating through their backlog. And that means mining for more uranium, which can be costly.

So, while nuclear reactors will provide a strong source of global clean energy in the next few years, world-wide producers like Cameco stock on the TSX today will need to work incredibly hard to mine more uranium. If not, these companies risk a boom from use and a bust once we're through the backlog.

The ugly

But this isn't the problem investors on the TSX today need to worry about. No, instead, they should be very concerned with the meteoric rise of Cameco stock. While, at first, this came from news from Biden's administration, today, it's a different story. Cameco stock is the most recent victim of WallStreetBets. Retail traders have chosen the stock to send prices soaring before they sell it at sky-high prices.

What does this mean for Motley Fool investors? Stay away for now. And honestly, there are now several reasons to do so. In the present, it's to keep your funds safe and away from this risky and volatile stock. In the near term, it's to see what happens with Cameco stock and others when it comes to mining more uranium to see where the price goes. And long term? What do world leaders plan to do when uranium runs dry?

Motley Fool investors love long-term holds, and, frankly, right now, I'm not so sure Cameco stock is one of them. It's an excellent company that should see a boom in the coming years. But if you plan on holding for decades, there may be better options today — even if it's the best-performing company on the TSX today.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:CCJ (Cameco Corporation)
2. TSX:CCO (Cameco Corporation)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn

4. Newscred
5. Quote Media
6. Sharewise
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Author

alegatewolf

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