



## Why Cameco (TSX:CCO) Stock Jumped 18% in September

### Description

It's been an interesting time for uranium stocks and specifically for **Cameco** ([TSX:CCO](#))([NYSE:CCJ](#)). The world's largest uranium producer has been the focus of major growth on the markets, jumping 18% in September alone! So, let's look at what's going on with Cameco stock and whether Motley Fool investors should consider it.

### What happened?

Shares of Cameco stock climbed 18% in September but have doubled in the last year alone. While shares are still no where near all-time highs seen since before the [Fukushima](#) disaster, it's still a lot of growth from this once-dwindling stock. The recent growth comes from two sources: one strong and the other weak. The strong source is from the move towards clean energy. It's not just new sources of energy set to see investment in the next decade. United States president Joe Biden stated in January he would be also reinvest in current sources, such as nuclear power — hence, the boost in Cameco stock.

*However*, there was then a drop in renewable energy sources, but not for Cameco stock. And this is where the weak growth came in. Smaller uranium stocks, and Cameco stock as well, saw massive investment from retail traders. Reddit subchannels such as WallStreetBets put forward the herds, perhaps aiming to make it the next short-squeeze victim. And it's unclear if they're done yet with the stock.

### So what?

I get asked a lot about my thoughts on a short squeeze. Frankly, I hate them, and so should Motley Fool investors. While it's true you *might* make a killing, by the time you get around the investing in a short-squeeze stock, you're far more likely to lose all your money, and then some. So, while Cameco stock may have doubled in the last year, it's not likely to keep growing much longer. In fact, it's already shrunk from its 52-week high of about \$34 per share.

That makes this stock incredibly risky for Motley Fool investors. And it's really too bad. Cameco stock is a great [option](#) for the next phase of clean energy production. It offers an chance to get in on nuclear energy as the next major power source. This comes not just from North American investment, but the building of dozens of nuclear reactors around the world. This includes China and Russia, and even Japan is back on board. And this will create an increase in the use of uranium that could lead to incredibly high uranium prices.

## Now what?

So, what should Motley Fool investors do with Cameco stock? Wait until the share price comes back down to normal levels, or at least stabilizes. And until the volatility surrounding the stock reduces. Analysts recommend the stock as a "hold" for now, and I tend to agree. I don't think you need to sell it all, but I just don't think it's a solid buy right now either. Instead, keep this company on your watch list. Once stable, Cameco stock may be one of the top companies to see massive share returns in the next few years, and even beyond.

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