



Is This Uranium Stock About to Go Nuclear?

Description

Owing to reinvestment in nuclear reactors, the uranium industry is on a rebound. **Cameco** ([TSX:CCO](#))([NYSE:CCJ](#)) certainly appears to be a potential stock featured on the Toronto Stock Exchange. This uranium stock has been [trending up](#) lately.

For those bullish on the long-term implications of nuclear power being a green energy source of the future, this is a uranium stock to consider right now. Here's more on why I think Cameco ought to be a top commodities play investors should consider right now.

A low-risk uranium stock with excellent exposure to secular catalysts

Cameco is an intriguing pick for investors looking for a top-notch uranium stock. The fact that Cameco stock is up more than 50% this year alone suggests investors have many reasons to be bullish on this uranium producer.

Indeed, Cameco is a diversified producer of uranium. This is a company with a range of sources of supply for its uranium production, providing investors with lower-risk exposure to the uranium market. As we've seen in the past, uranium prices can be quite volatile. Accordingly, this has been a commodity class many investors have steered clear of recently.

That said, Cameco's stock price has held up fairly well during periods of decline in the past due to the company's low-cost mining mode. In good times, this means booming stock prices. In bad times, investors can reap a [small dividend](#) and be patient. I like that exposure for long-term investors.

The company's operations have been ramping up of late, as uranium prices have improved. However, Cameco has the ability to shut-in production in poor times. Accordingly, I think this is a commodities stock with an excellent risk/reward scenario today, despite how far and how fast this stock has run.

This isn't a stock without risk

CCO stock is an excellent pick, and it truly has a strong future in the renewable energy sector. That said, potential investors should consider being careful with any hyped-up stock right now.

This stock appears to be one of the targets of meme stock investors. Those on r/WallStreetBets have picked up on Cameco's recent spikes. And while I think these spikes are well deserved and a result of fundamental market-driven forces, the fact that this stock is getting "memey" is a concern for some investors.

Does this mean more potential upside could be on the horizon in the short term? Sure. However, the introduction of folks playing around with options on any stock invites higher levels of volatility.

Accordingly, long-term investors may want to wait to pick up some shares of this top uranium stock on a dip from here.

CATEGORY

1. Investing
2. Metals and Mining Stocks

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2. TSX:CCO (Cameco Corporation)

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