



## Why Canada Nickel Stock Jumped 10% Yesterday

### Description

**Canada Nickel** ([TSXV:CNC](#)) is a Toronto-based company that explores and discovers nickel sulphide assets. Shares of Canada Nickel jumped 10% on November 22. The stock has increased 75% in 2021. What is behind the stock's recent jump? Let's jump in and find out.

## Nickel prices have soared over the course of the pandemic

In early 2018, I'd looked at some of the top [base metals](#) stocks to snatch up in the middle of a broader [bull market](#). Commodities have been [on a tear](#) since the beginning of 2021.

The spot price of nickel has climbed 23% in the year-to-date period. Will this momentum continue? Chinese research house Antaika recently projected that nickel prices will ease up in 2022. The global market is set to swing into a surplus on the back of improved production, as pandemic disruptions are expected to dissipate.

Canadians have wrestled with surging inflation in 2021. Indeed, inflation reached 4.7% in the month of October. This was the fastest rate of inflation since February 2003. Investors looking to hedge against rising prices may want to dip into the commodities space. This has proven to be a very good strategy over the course of this year. Indeed, Canada Nickel has climbed all the way back from a valuation below the \$0.50 mark in early April 2020.

## Here's why Canada Nickel has surged in late November

This week, Canada Nickel announced that it had acquired 13 additional properties in 18 separate transactions. The move further consolidates its strong position in the Timmins, Ontario region. These acquired properties reportedly have target structures that are 40 times the scale of the company's current main zone resource.

CEO Mark Selby was very enthusiastic about the deal. He hailed it as a "transformational milestone" that is on par with the discovery of its flagship Crawford property. Selby stated that this will drive

Canada Nickel to “become a leader of the next generation of nickel supply — large, scalable, low carbon nickel supply.”

The company unveiled its third-quarter 2021 results on September 15. Canada Nickel is still in the exploration and discovery stage. It has delivered weak revenue growth in the first nine months of 2021. However, that does not mean that investors should dismiss this stock.

Canada Nickel has significantly expanded its total assets compared to the same period ending October 31, 2020. The Timmins property acquisitions has generated positive momentum for the nickel-focused stock.

## Should you look to add this nickel stock right now?

Like any miner with small revenues and a focus on exploration and discovery, investors will need to embrace some measure of risk if they choose to jump on Canada Nickel. Moreover, there is limited financial data available to investors for a company that is still very young and only recently debuted on the TSX Venture exchange.

That said, I’m still bullish on base metals like nickel as we look ahead to the New Year. The recent move by Canada Nickel should spur investors to monitor this stock in the early part of this decade.

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