



Why Uranium Stocks Climbed Higher on Wednesday

Description

Uranium stocks including **Cameco** ([TSX:CCO](#))([NYSE:CCJ](#)) and **NexGen Energy** ([TSX:NXE](#)) continued to climb on Wednesday. Cameco stock reached 10% higher in early-morning trading, with NexGen adding another 12% after its climb the day before.

What happened?

There has been a lot of news coming in related to uranium stocks, affecting these massive uranium powerhouses. This includes a massive [acceptance](#) of the renewable power in Europe, followed by talks with Iran moving forward. That's on top of the United States already stating it would spend money on nuclear facilities.

This led to some analysts renewing their targets for uranium stocks like Cameco and NexGen. Sprott Asset Management's CEO John Ciampaglia recently stated the area should see "enormous growth" in 2022 and beyond.

And it's not just countries getting on the energy product. Bill Gates and Warren Buffett recently announced a plan to build a US\$1 billion reactor to replace a Wyoming coal plant. As the energy crisis continues in Europe, it's likely even more countries will soon see an increase in the zero-emissions power generator.

So what?

In the last year, there has been a massive move towards going net-zero by around 2050 from countries across the world. Yet solar, wind, and other power operators [continue](#) to be secondary to oil and gas. Yet that's simply not the case with nuclear power.

Nuclear is the only way many of these countries could even think about hitting these targets. This could create even more growth for uranium stocks, as the price of uranium climbs higher. China and India in particular, with their growing number of reactors, have contracts set to renew over the next few years.

Now what?

This next year could be an excellent time to invest in nuclear power. Both Cameco and NexGen remain below their target price. Yet as more news comes in about nuclear deals, that target price could continue to move higher and higher.

The only word of warning is that retail traders continue to be interested in uranium stocks as well. Until large financial institutions take a major stake in these companies, it's likely that retail traders could move the uranium [market](#) as it did earlier last year.

That being said, if these uranium stocks remain under the target price, they're a strong long-term hold. Since Fukushima, uranium stocks and prices have remained well below fair value. But with the shift to clean energy, uranium offers the only choice to reach net-zero targets — at least in the short term.

CATEGORY

1. Energy Stocks
2. Investing

TICKERS GLOBAL

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2. TSX:CCO (Cameco Corporation)
3. TSX:NXE (NexGen Energy Ltd.)

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