



Why NexGen Energy Stock Surged as Much as 14% Yesterday

Description

Founded in 2011, **NexGen Energy** ([TSX:NXE](#))([NYSE:NXE](#)) is a British Columbia-based company led by experienced uranium industry professionals with a successful track record in discovering uranium deposits and in developing projects through discovery to production. At \$6.21 per share at writing, a market cap of \$3 billion is almost within reach for the energy stock.

What happened?

NexGen Energy stock surged as much as 14% yesterday but ended the day with only a 5% climb. As discussed in a *Bloomberg* [article](#), there were protests in Kazakhstan, the world's number one uranium producer. The event could usher uranium prices higher, which is why the energy stock rallied.

However, let's also note that most of the rally in NexGen Energy stock dissipated swiftly. Perhaps, it's because NexGen hasn't exactly generated any revenues yet. Unfortunately, this makes the energy stock a top candidate for quick intraday pump and dump by traders when the opportunity arises.

So what?

Notably, [NexGen](#) does sit on the largest development-stage uranium deposit in the world — what it calls the Rook I project. The *WNA Fuel Report* in 2019 described there was a bear market of more than 10 years, resulting in underinvestment in the uranium production space. The *World Nuclear Fuel Report* followed in September 2021 that there will be a supply deficit beginning in 2027 that will widen through 2040. This should work in NexGen's favour in the long run.

Let's not forget that uranium is a source of clean energy. Some pundits believe that other clean energy sources such as renewable energy won't be enough to replace fossil fuels in time. Therefore, to make the net-zero carbon deadline, many countries will need to utilize nuclear power.

Now what?

Since June 2021, NexGen Energy stock's 12-month consensus analyst price target has appreciated 44% to \$9.24. What's relevant is that analysts believe the stock is becoming more valuable over time. This price target suggests near-term upside potential of almost 49%. Notably, the energy stock is also a multi-bagger candidate for long-term investors.

CATEGORY

1. Energy Stocks
2. Investing

TICKERS GLOBAL

1. TSX:NXE (NexGen Energy Ltd.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. kayng
2. kduncombe

Category

1. Energy Stocks
2. Investing

Date

2025/08/14

Date Created

2022/01/06

Author

kayng

default watermark

default watermark