



Why Energy Fuels Stock Rose 15% Thursday

Description

What happened?

The shares of **Energy Fuels** ([TSX:EFR](#))([NASDAQ:CLNE](#)) staged a sharp recovery Thursday morning after consistently falling in the previous four sessions. At the time of writing, ERF stock was trading with nearly 15% advances for the day at \$12.09 per share. Today's rally helped EFR stock extend its year-to-date gains to more than 25% against a 2% rise in the **TSX Composite Index** in 2022 so far.

So what?

Energy Fuels is a Lakewood-based uranium mining company with a market cap of about \$1.7 billion. Today's sharp gains in EFR stock came after a New York-based equity research and investment firm H.C. Wainwright raised its target price on the stock from \$8.50 to \$9.75 per share. While its new target price was already 7% lower than Energy Fuels stock's last closing price of \$10.53 per share, the upgrade still seemingly boosted investors' confidence.

Consistently rising uranium prices amid the ongoing [Russia-Ukraine war](#) could be another reason for today's sharp rally in Energy Fuels stock.

Now what?

In 2021, Energy Fuels reported a solid 92% year-over-year increase in its total revenue to US\$3.18 million. However, its latest annual revenue figure fell short of Street analysts' consensus estimate of around US\$4.88 million. In its latest earnings report released earlier this week, it [mentioned](#) that "while the company chose to not sell any uranium during 2021, it is now actively engaged in pursuing selective long-term uranium sales contracts." Given that, I expect Energy Fuels to report much stronger financial growth in the coming years.

As I noted above, the recent Russian invasion of Ukraine has triggered a sharp rally in uranium prices, because Russia is one of the major suppliers of uranium and nuclear fuel to the U.S. and Europe. A

stronger price environment could boost Energy Fuels's margins in the near term and keep its stock soaring.

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1. Energy Stocks
2. Investing

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2. TSX:EFR (Energy Fuels Inc.)

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Date

2025/08/26

Date Created

2022/03/17

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