



## First Quantum Minerals (TSX:FM) Correction Phase: Is it Time to Buy?

### Description

As the second-best electrical conductor and one of the most [widely used metals](#) in electricity transmission, copper is almost always in demand. Thanks to the advances in electronics and their overlap with modern lifestyle, humanity uses more electricity than ever.

And even though the modes of producing electricity are rapidly changing (as we go green), the transmission is more or less the same, and copper plays an essential role in it.

So, if you have an affinity for metals or want to add metal commodities to your portfolio for diversification, copper stocks like **First Quantum Minerals** ([TSX:FM](#)) should be on your radar.

### One of the world's top 10 copper producers

First Quantum Minerals produce more than just copper. Its portfolio of metals includes gold, nickel, and some other metals. But copper is its forte and makes up the bulk of its production *and* revenues.

It has operations in South America, Europe, Africa, and Australia and has 100% ownership in most of the projects on its portfolio.

This geographic distribution offers more than just safety. Different locations give access to various local and nearby markets, which reduces transportation costs (though some of it's balanced by the overhead of multiple far-off sites).

The presence of other metals in its product portfolio is also quite promising, especially nickel, which, alongside copper, is being heavily used in producing batteries for EVs and renewable energy power banks.

### The stock

[The company](#) has seen three major growth phases in the last two decades, growing beyond 700% all

three times. And the correction phase after the recent growth phase has already started. It has fallen over 20% in the month of April alone, and given its sharp downward trajectory, it might just be the beginning of what can turn out to be a massive dip.

Your goal should be to identify the absolute depth and buy at (or as near it) as possible. You may have to wait three to five years for the growth pattern to emerge and mature, but if it follows the pattern and pushes the stock up 700% or more, it would be well worth it.

The exact trigger for the fall is a bit difficult to identify. It cannot be the last earnings reports, because not only were they quite stellar, but earnings were announced in February. It might simply be the cycle repeating itself, which indicates that it's time to put this stock on your watchlist.

## Foolish takeaway

If you buy it at the right time, a cyclical growth stock like First Quantum Minerals can be just as powerful a tool for [building generational wealth](#) as consistent growth holdings that you may need to keep in your portfolio for decades.

Even if it offers half its former growth (350%) in four or five years, the boost to your portfolio would be substantial (especially in a smaller time frame).

### CATEGORY

1. Investing
2. Metals and Mining Stocks

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**Date**

2025/08/04

**Date Created**

2022/04/27

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