



3 Stocks to Diversify Your Metal Portfolio

Description

If you are interested in commodities, metals are an exciting avenue. Not only are metal markets very different from energy (the choice commodity for most investors), but they also offer robust diversification within the asset class.

And if diversification in metal holdings is what you are after, there are three stocks that should be on your radar.

A gold stock

Gold is the most common metal holding — not only because the TSX has a substantial collection of gold stocks but also because it's a powerful contrarian investment that can perform well in a poor market. Therefore, a stock like **Equinox Gold** ([TSX:EQX](#))(NYSE:EQX) might be worth a spot in your portfolio.

This Vancouver-based company has only been around since 2007, and the stock is even fresher. It's a mid-cap company that's currently available at a massive 58% discount from its 2020 peak. It can more than double your investment just by hitting that peak again, which might not be too unlikely a scenario, considering how the market has been falling lately.

One of the ways this company stands out compared to other [gold miners](#) is that its entire operational base is in the Americas. Being closer to home promises slightly more stability and better control.

An iron stock

Iron can be a solid addition to your portfolio because its chief use — i.e., steel — is almost always in demand. And when you are interested in investing in iron in Canada, **Champion Iron** ([TSX:CIA](#)) is one of the top choices. [The company](#) is headquartered in Australia but cross-listed in Canada because of its Canadian asset base.

All three of the company's flagship projects are in Canada — two in Quebec and the third in Newfoundland and Labrador.

The stock has mostly gone up since its inception in 2014, and growth since then has been phenomenal — 1,125%. In the last five years alone, the stock has gone through multiple growth phases, appreciating over or near 100% four times. So, if you buy this metal stock at a dip and wait, you are highly likely to double your capital at least twice in the next five years.

A uranium stock

Even though uranium stocks are usually classified as energy, it's still metal, making **Cameco** ([TSX:CCO](#))([NYSE:CCJ](#)), one of the largest uranium companies in the world, a metal holding. Uranium is a precious resource with a default state of more demand than supply. And if more nuclear power plants start coming online for green electricity (which is still a matter of some debate), the demand will rise up exponentially.

As a uranium-rich country, Canada offers the home-ground advantage of companies like Cameco. The Cameco stock was in a rut, steadily going down for most of the last decade, but it has been on the rise since the pandemic. And if it continues upward, you may benefit from the growth offered by the bullish phase of this uranium metal holding.

Foolish takeaway

Metals are quite a diverse [stock market sector](#) in Canada, and there are several other options besides these three stocks. And now, with the advent of EVs, metals like nickel, cobalt, and lithium are also getting the limelight. This gives investors even more options for a rich metal portfolio.

CATEGORY

1. Investing
2. Metals and Mining Stocks

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1. NYSE:CCJ (Cameco Corporation)
2. NYSEMKT:EQX (Equinox Gold Corp.)
3. TSX:CCO (Cameco Corporation)
4. TSX:EQX (Equinox Gold Corp.)

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