



NexGen Energy: The Top Uranium Stock Set to Double in 2022

Description

Uranium stocks have been some of the top growth stocks over the last few years. However, it's been a different case in 2022. Since January, uranium stocks across the board have been falling — including some of the biggest ones.

But that does offer investors a chance to get in on uranium stocks while they trade at ultra-low prices — prices so low, they could easily double in 2022 alone. And of all of them, **NexGen Energy** ([TSX:NXE](#)) ([NYSE:NXE](#)) looks like the best choice.

Uranium prices on the rise

Part of the reason NexGen stock has become a strong play is due to the rise in uranium prices. Uranium looks to be the energy source of choice while the world transitions over to renewable energy. Nuclear reactors are already located around the world, with more being built all the time. This makes uranium stocks a prime play for future returns.

Furthermore, the ongoing crisis in Ukraine and sanctions against Russia leaves uranium stocks in a prime position should they be located in North America. This includes NexGen stock, with all of these factors leading to higher prices for the company.

Why NexGen stock?

So why NexGen stock and not other uranium stocks? I'm not saying there is anything wrong with those other companies, but NexGen offers strong value for investors today. Firstly, there's the company's assets. Analysts like the company's "highly economic" Arrow deposit, which will likely lead to further long-term contracts.

Another significant hurdle was the permit process for NexGen stock and uranium stocks in general. But NexGen recently submitted its Environmental Impact Statement for 2022. This should be a “significant step forward” to allow the company to speed up its permit process.

Shares up and earnings down

The only downside right now is, the company is still operating with a loss. This is due to its acquisitions and getting the company up and running to meet demand for uranium in general. That being said, NexGen stock was able to slice its loss down to about \$30.5 million during its latest earnings report.

The future looks bright for uranium stocks, leading analysts to upgrade the company’s target share price. As of writing, many analysts upgraded the company to “outperform,” even within the uranium sector. The average now sits at about \$10, and yet shares trade at \$5 as of writing, leaving it the potential to double in 2022.

Shares of NexGen stock were up 10% in the last week alone but down 8% year to date.

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