



2 Base Metal Stocks to Watch for the Rest of 2022

Description

Commodities enjoyed a significant boom in the latter half of 2021 and the beginning of 2022. The apparent end of the COVID-19 pandemic sparked a [wave of optimism](#), and the promise of increased demand. Today, I want to look at two base metal stocks that have struggled in recent weeks. Do investors have good reason to snatch up these equities on the dip? Let's dive in.

How have commodities fared in this market correction?

The **S&P/TSX Global Base Metals Index** was up 1.1% in mid-morning trading on July 13. Nickel prices are expected to remain strong on the back of Chinese stimulus measures and the disruption of supply due to the ongoing Russia-Ukraine conflict. However, there are still significant risks to its price in the face of economic uncertainty. Meanwhile, copper prices have been sent into a tailspin due to these same concerns over a looming recession. In the event of a global economic pullback, metals demand could be hit hard.

This base metal stock is in free fall right now

Lundin Mining ([TSX:LUN](#)) is a Toronto-based diversified base metals company that is engaged in the exploration, development, and mining of mineral properties around the world. It produces base metals like copper, nickel, and zinc. That has bolstered its earnings in 2021 and the first half of 2022. Shares of this base metal stock have dropped 25% so far in 2022. The stock is down 36% in the year-over-year period.

Investors can expect to see Lundin's second-quarter 2022 results on July 27. In Q1 2022, the company delivered total revenue of \$991 million — up from \$681 million in the previous year. Meanwhile, gross profit nearly doubled to \$478 million. It posted adjusted earnings of \$295 million and adjusted EBITDA of \$587 million — up from \$144 million and \$354 million, respectively, in the prior year. Better yet, free cash flow more than tripled to \$186 million.

This base metal stock currently possesses a very favourable price-to-earnings ratio of 4.2. It also offers

a quarterly dividend of \$0.09 per share. That represents a very solid 4.8% yield.

Here's another reeling base metal stock to consider in the middle of July

Ivanhoe Mines ([TSX:IVN](#)) is a Toronto-based company that is also engaged in the exploration, development, and recovery of minerals and precious metals in Africa. This base metal stock has plunged 31% in 2022. That has pushed its shares into negative territory in the year-over-year period.

The company released its first-quarter 2022 earnings on May 10. It is expected to deliver its next base of earnings in early August. In Q1 2022, profit rose to \$21.5 million compared to \$20.4 million in the first quarter of 2021. Meanwhile, it achieved record revenue of \$519 million and record EBITDA of \$399 million.

Shares of this base metal stock last had an RSI of 37. That puts the stock just outside technically oversold territory. It is still trading in attractive value territory compared to its industry peers.

CATEGORY

1. Investing
2. Metals and Mining Stocks

TICKERS GLOBAL

1. TSX:IVN (Ivanhoe Mines Ltd.)
2. TSX:LUN (Lundin Mining Corporation)

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. aocallaghan
2. kduncombe

Category

1. Investing
2. Metals and Mining Stocks

Date

2025/08/16

Date Created

2022/07/13

Author

aocallaghan

default watermark

default watermark