



## Cameco Stock Is Approaching its 52-Week High: Time to Invest?

### Description

**Cameco** ([TSX:CCO](#)) has seen its shares rise higher and higher after going through a horrid roller coaster of share movement in the last year. Yet now, Cameco stock is approaching its 52-week high once more. Should investors jump in or expect more of the same in 2023?

### What happened?

Why the roller coaster? Cameco stock received more attention during the last several years for a few reasons. First, there was the shift towards more clean energy use. This means using uranium power for reactors, reactors that span the globe and are being created in bulk.

As the world's largest publicly traded uranium producer, Cameco stock has an incredible amount of growth — especially now that Japan has started allowing reactors once more, there's even more movement towards uranium power in the near and long term.

In fact, about 20% of America's power alone is powered by uranium through reactors as we speak. And the price of uranium is only going higher. So, why did the stock drop?

### Those meme traders

With the price pushing higher, Cameco stock and uranium stocks in general caught the attention of retail and meme stock investors. Because of this, Cameco stock was fueled for a selloff. After soaring upwards, the stock then came crashing down — and for no reasonable purpose.

So, in September 2022, shares of Cameco finally recovered and reached heights not seen since pre-Fukushima. Yet again, afterwards shares started to drop off with the market decreasing in bulk. By December, shares were down 27% from those September highs.

Yet since *that* time, shares are back up by 26% as of writing. This is all based on optimism, in the opinion of some analysts. Optimism about the near future of nuclear power. And they're right! Nuclear

power is going to be huge in the next decade. We need uranium to transition away from fuel and towards [renewable energy](#).

## Now, but not forever

Here's the thing: you could absolutely invest in Cameco stock right now and see shares continue to climb. It most certainly is overvalued at this point, but I still believe its outlook is strong. There is just so much need for uranium at this point, and Cameco stock is going to have to find every means to keep up.

Granted, it's doing this. It's created a partnership with **Brookfield Renewable Partners**, which will provide more revenue, and diversified revenue, at that. So, cash is certainly coming in during the next several years.

But, as I mentioned, the key is that it's not a renewable stock. Uranium is a finite resource, and eventually, we will need to transition towards other means of [energy](#) production. So, over the next decade, Cameco stock is likely to do well, but it's not a forever hold.

## Bottom line

Cameco stock is nearing 52-week highs, and it's likely to hit those heights once more. However, this could trigger yet another sell off similar to what we've seen over the last year or so. In that case, it might be best to wait to purchase the stock to receive more of a boost.

That being said, if you're looking for a stock to buy and hold, which is always recommended, Cameco stock may not be your best choice. While it could do well during the next few years, it's just not looking likely to be the focus another decade after that.

### CATEGORY

1. Investing
2. Metals and Mining Stocks

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2. TSX:CCO (Cameco Corporation)

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**Date**

2025/08/11

**Date Created**

2023/02/08

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