



Top Natural Resources Stocks to Buy in 2023

Description

In the stock market, there's such a thing as natural resource investing. A portfolio manager or an individual finds it compelling to invest in companies that process or develop natural resources and turn them into durable products. Among these gifts of nature are [oil and gas](#), precious metals, steel, and timber.

Demand for products made from natural resources is ever growing, especially in infrastructure. Some investors find metals a store of value and turn to them when market headwinds are strong. The TSX has a wide selection of natural resources stocks, but four names are screaming buys in 2023.

Oil and natural gas

Canadian Natural Resources ([TSX:CNQ](#)) operates a diversified portfolio of assets globally. The \$87.82 billion company is one of the world's largest independent oil and natural gas producers. Its sustainable cash flow comes from the asset portfolio, a balanced mix of natural gas, light crude oil, heavy crude oil, bitumen and synthetic crude oil (SCO).

Today, the market cap stands at \$87.82 billion, although on April 20, 2022, it CNQ became the first Canadian oil and gas company to surpass the \$100 billion market value. Industry experts said it joined the big league composed of **Chevron**, **ConocoPhillips**, and **Exxon Mobil**. CNQ trades at \$79.33 per share (+5.51% year to date) and pays an attractive 4.38% dividend.

Metals and mining

Barrick Gold ([TSX:ABX](#)) is the gold standard for TSX's [metals and mining sector](#). The \$43.71 billion mining company is a gold and copper producer. Mining experts concede that Barrick's portfolio of tier-one and world-class gold and copper assets is not only the largest but the best in the industry.

Management said it has a clear growth runway given all the mines' 10-year business plans. Moreover, it anticipates growth projects and a robust pipeline to enhance production levels with no significant dips

over the next decade. At \$24.81 per share (+6.89% year to date), Barrick pays a modest but super-safe 2.94% dividend.

Steel

Stelco Holdings ([TSX:STLC](#)) isn't a famous name, but the stock outperforms the broader market year to date at +16.89% versus +6.91%. This \$2.85 billion company was initially titled "The Steel Company of Canada" in 1910.

The Hamilton, Ontario-based firm has seen steady growth through the years. Today, Stelco is a vertically integrated, independent Canadian steelmaker that builds quality steel products for the global market. At \$51.77 per share, you can partake of the decent 3.25% dividend.

Lumber

Acadian Timber's ([TSX:ADN](#)) market cap may be the smallest in the group, but this small-cap stock pays a 7.05% dividend. At \$16.81 per share, current investors enjoy a +12.33% year-to-date gain on top of the ultra-high dividend yield. This \$283.84 million owns and manages around 1.1 million acres of freehold timberlands in New Brunswick and Maine.

The products it sells to diversified end-use markets include softwood and hardwood sawlogs, pulpwood, and biomass by-products. Management's business strategy is to maximize cash flows from its existing timberland assets through sustainable forest management. These high-quality assets provide perpetual returns and cash flow stability.

Adopt the strategy

Proponents of natural resource investing believe the pool of investable natural resources is growing, because demand is ever-increasing. Average investors have four fine gems to choose from if they adopt the strategy in 2023.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:ABX (Barrick Mining)
2. TSX:ADN (Acadian Timber Corp.)
3. TSX:CNQ (Canadian Natural Resources Limited)
4. TSX:STLC (Stelco Holdings Inc.)

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