



HOT COMMODITIES:
The Top Asset Play





Hot Commodities: The Top Asset Play

By Matt Clark
Research Analyst, *Stock Power Daily*

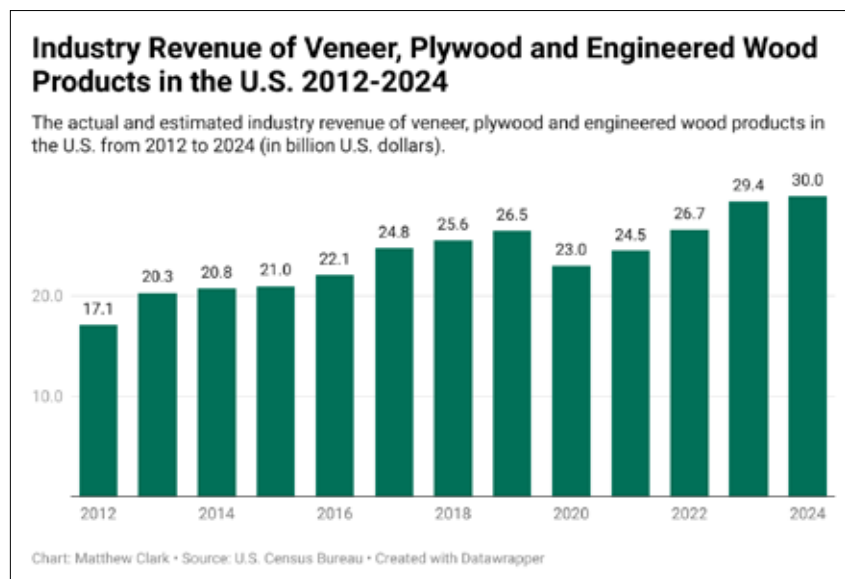
U.S. real estate is a hot seller's market right now — creating a high-pressure nightmare for buyers. Low interest rates brought more Americans into the housing market to compete for the dwindling supply. Bidding wars lead determined buyers to pay tens of thousands of dollars over asking or forgo inspections and appraisals ... sometimes all of the above!

With all that hassle, is it any wonder that more folks are choosing to build a brand-new house with all their favorite bells and whistles?

The U.S. Census Bureau reported the number of new houses starting construction in February 2022 was 22% higher than the same time last year.

Housing starts are hitting 1.8 million — up from 1.5 million in 2021.

All these new houses mean a demand for lumber — not just traditional two-by-fours, but stronger, more durable engineered wood.



In the chart above, we can see that revenue from these specialty products took a 13% hit in 2020.

But the Census Bureau projects that demand will surpass pre-pandemic highs and keep moving up.

My top asset play is a Power Stock that stands to benefit from this trend: **Boise Cascade Co. (NYSE: BCC)**.

The company manufactures engineered wood, laminated veneer lumber, plywood panels and decking, as well as commercial roofing and flooring products.



BCC scores a “Strong Bullish” **97 out of 100** on our Stock Power Rating system, and we expect it to beat the broader market **by 3X in the next 12 months**.

Strong Fundamentals + Peak Momentum

My research pointed me to BCC for two main reasons:

- In a recent investor report, BCC’s total sales in 2021 were \$7.9 million compared to just \$5.4 million in 2020 — a 46% jump.
- Boise Cascade’s **net income grew 304%** from \$4.44 per share in 2020 to \$17.97 per share in 2021. In plain English, the company made a boatload of money for each share of its stock.

BCC rates a “Strong Bullish” **87** on momentum, which means we can expect the stock to skyrocket from here!

Increasing its total revenue by 18% in 2020, BCC was one of the few industrial companies that *grew* during the COVID-19 pandemic.

That growth spiked 46% in 2021 as the company responded to increased demand for its building materials. Leadership said it expects that demand to continue through 2022.

And the demand is there: The U.S. Census Bureau said the number of new houses starting construction in February 2022 was 22% higher than the same time a year ago.

Boise Cascade Co. stock scores a **97 overall** on our Stock Power Rating system.

That means we are “Strong Bullish” on BCC and expect it to crush the broader market **by at least three times in the next 12 months**.

BCC hits it out of the park when it comes to fundamentals: It boasts outstanding trading multiples at least three times lower than the industry average. (BCC scores a **99** on value.)

Its **305% annual earnings-per-share growth rate** and **45% annual sales growth rate** also make it an outstanding growth play. (It scores an **80** on our growth metric.)

Remember: BCC is just one of the many high-conviction stocks you’ll get access to with your subscription to *Stock Power Daily*. Enjoy!

Safe trading,

Matt Clark, CMSA®

Research Analyst, *Money & Markets*



Money and Markets

P.O. Box 8378

Delray Beach, FL 33482 USA

USA Toll Free Tel.: (866) 584-4096

Email: <http://moneyandmarkets.com/contact-us>

Website: www.moneyandmarkets.com

LEGAL NOTICE: This work is based on what we've learned as financial journalists. It may contain errors and you should not base investment decisions solely on what you read here. It's your money and your responsibility. Nothing herein should be considered personalized investment advice. Although our employees may answer general customer service questions, they are not licensed to address your particular investment situation. Our track record is based on hypothetical results and may not reflect the same results as actual trades. Likewise, past performance is no guarantee of future returns. Certain investments carry large potential rewards but also large potential risk. Don't trade in these markets with money you can't afford to lose. Banyan Hill Publishing expressly forbids its writers from having a financial interest in their own securities or commodities recommendations to readers. Such recommendations may be traded, however, by other editors, its affiliated entities, employees, and agents, but only after waiting 24 hours after an internet broadcast or 72 hours after a publication only circulated through the mail.

(c) 2022 Money and Markets, a division of Banyan Hill Publishing. All Rights Reserved. Protected by copyright laws of the United States and treaties. This report may only be used pursuant to the subscription agreement. Any reproduction, copying, or redistribution, (electronic or otherwise) in whole or in part, is strictly prohibited without the express written permission of Banyan Hill Publishing. P.O. Box 8378, Delray Beach, FL 33482 USA. (TEL.: 866-584-4096)