

## The Top 3 Steel Stocks All Investors Should Own

We may be nearing an infrastructure bill.

In fact, a potential \$1.2 trillion bipartisan infrastructure bill may be nearing a final vote this week. "We are within days, possibly within hours of seeing this historic legislation that's going to get us better roads and bridges, better ports and airports, a better future for our economy and creating millions of jobs," Transportation Secretary Pete Buttigieg said, as quoted by CNN.

In addition, according to CNN, "It features \$550 billion in new federal spending over five years. The measure invests \$110 billion in funding toward roads, bridges and major projects, \$66 billion in passenger and freight rail, \$65 billion to rebuild the electric grid, \$65 billion to expand broadband Internet access, and \$39 billion to modernize and expand transit systems."

If the bill does make it through, some of the top trades to consider are the SPDR S&P Global Infrastructure ETF (GII), the iShares Global Infrastructure Index ETF (IGF), Vulcan Materials (VMC), Fluor Corp. (FLR), Caterpillar (CAT), and Freeport McMoRan (FCX).

Steel stocks are also running in anticipation.

- US Steel (X) for example, has run from about \$21 to \$27 over the last few days, as we approach the final vote. Helping, Morgan Stanley recently raised its price target on US Steel to \$35. In addition, according to The Fly, "Credit Suisse analyst Curt Woodworth argues steel demand is booming in the U.S. with only some pockets of weakness evident in commercial construction and automotive from the chip shortage."
- Nucor (NUE) ran from about \$90 to nearly \$107 so far, and could run back to \$110 shortly. Deutsche Bank recently lifted its price target to \$100 from \$75.
- Steel Dynamics (STLD) ran from \$55 to \$64 so far. If it can break above resistance around \$65, it could see \$70, near-term. Deutsche Bank also raised its target price on STLD to \$72 from \$68.

Unfortunately, current infrastructure can't wait any longer.

"A lot of our bridges were built in the '50s and the '60s, which just means that they're reaching the end of their useful life," said Cathy Farrell, the American Society of Civil Engineers Pennsylvania infrastructure report card chair, as also quoted by CBS News. "Unfortunately, people only realize that infrastructure isn't working when it breaks."