

One Stock To Buy In May

Description

Gold stocks aren't usually a big favorite of value investors, but with the recent plunge in gold prices, a closer look at **Yamana Gold** ([TSX:YRI](#)) is warranted.

Already boasting one of the lowest-cost operations in the industry, Yamana has historically benefited from not only its gold production but also the copper, zinc, and other by-product metals that result from its gold-mining operations.

Yet weak gold price performance has pummeled the stock, and investors weren't pleased with the company's earnings report earlier this week, in which the company missed on both the top and bottom lines. In particular, weaker commodity prices across the board produced less offsetting revenue from by-product sales, raising cash costs.

Even though it's in a low-cost position, Yamana plans to go further. Cost saving measures like better inventory management and worker layoffs are in the works. Despite the short-term pain a low gold price brings to the entire industry, Yamana is better positioned to withstand the tough times than most of its peers. And, the inevitable shakeout that is staring the industry in the face should leave Yamana looking better than ever and potentially give it some lucrative strategic opportunities along the way.

Are you tired of receiving bad advice? You're not alone, and there's plenty of it going around these days. We think one of the worst pieces of advice going is the recommendation to passively invest in the Canadian market. If you've been on the receiving end of this "gem" you need to [click here](#) and we'll send you our special **FREE** report "**Buy These 5 Companies Instead of Following a Flawed Piece of Advice**" – **FREE!**

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The Motley Fool has no positions in the stocks mentioned above.

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CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:YRI (Yamana Gold)

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