



Why OceanaGold Shares Surged

Description

Although we don't believe in timing the market or panicking over market movements, we do like to keep an eye on big changes — just in case they're material to our investing thesis.

What: Shares of gold explorer **OceanaGold** ([TSX: OGC](#)) popped 13% today after its quarterly results and outlook topped Bay Street expectations.

So what: The stock has plunged over the past year on falling gold prices, but today's Q3 results — profit of \$43.7 million vs. a loss of \$70.5 million in Q2 — coupled with upbeat production guidance suggests that the worst is behind it. Management cited higher gold and copper sales from its new Didipio mine in the Philippines, higher grade ore at its New Zealand mine, and lower costs across the company for the strong report, giving analysts plenty of tailwinds to bank on.

Now what: Management now expects to produce 18,000-20,000 tons of copper in 2013, up from its prior view of 15,000-18,000 tons, and sees gold production of 285,000-325,000 ounces. "Didipio continues to perform well with increasing gold production and strong copper production," [said](#) CEO Mick Wilkes. "We are pleased to increase our full year 2013 copper production guidance while decreasing our cash cost guidance and remain committed to strengthening the balance sheet through the repayment of debt." So while average investors should think twice about speculating on gold prices, Oceana's forward P/E of 10, coupled with its upbeat outlook, might make for a relatively safe way to do it.

Buy These 5 Companies Instead of Following a Flawed Piece of Advice

Many Americans have turned to "indexing" when managing their portfolios. But even though it works for our neighbors to the south, Canadians may walk into a trap by relying on indexes. You see, unlike the TSX, American indexes are effectively diversified ... making them safer bets.

So what does this mean for savvy Canadian investors? The Motley Fool has prepared a Special **FREE** Report that can help you work around the pressure to invest in indexes. It's called "[5 Companies That Will Help With a Flawed Piece of Advice](#)," and you can receive a copy at no charge by simply [clicking here now!](#)

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Fool contributor Brian Pacampara does not own shares of any companies mentioned. The Motley Fool has no positions in the stocks mentioned above at this time.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:OGC (OceanaGold Corporation)

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