



George Soros Owns \$17.1 Million of Agnico Eagle Mines Ltd.; Should You Buy, Too?

Description

George Soros might be one of the best investors on Earth.

In 1973, he founded the Quantum Fund. Over the next two decades, Soros went on to post 30% annual returns for his clients. Based on those numbers, he has earned his spot amongst investing legends.

Because of his track record, you should always watch what stocks Soros is buying. And right now, he's making some big bets on gold.

If you don't buy this stock now, you'll hate yourself later

In recent months, Soros has expressed his concerns about inflation. That's probably why he has built huge stakes in names like **Goldcorp Inc**, **Silver Wheaton Corp**, and **Yamana Gold Inc**. These miners are levered bets on gold and a hedge against higher prices.

He also picked up another name. In a recent SEC filing, Soros disclosed that he own 448,000 shares of **Agnico Eagle Mines Ltd** ([TSX: AEM](#))([NYSE: AEM](#)). As of June, his total stake in the miner was worth US\$17.1 million.

It's an odd bet. Since the start of 2012, gold prices are off more than 20%. But while most investors have given up on the sector, there are a number of catalysts that should push Agnico shares higher.

First, the latest economic data shows Europe could fall into a recession once again. Since June, The European Central Bank has already slashed interest rates twice. However, more cuts could be on the way.

It doesn't take a PhD to figure out what could happen. A flood of cheap money will eventually result in higher inflation. That could push gold higher as investors seek a safe haven to protect their wealth.

Second, history shows gold should jump higher soon. Since 2013, prices have fallen to around

US\$1,200 an ounce on three occasions. The last two times gold prices tested these levels, they found a bottom.

[goldprices](#)

Image not found or type unknown

Source: *IndexMundi.com*

We're not advocates of technical analysis here at The Motley Fool. But there's a good reason why prices can't break below this level. You see, the average breakeven cost for gold miners is roughly US\$1,250 an ounce – higher than the current spot price.

That means gold producers are bleeding money. If prices remain below this breakeven cost, miners will go bust or be forced to scale back operations. As you would expect, lower supplies will ultimately lead to higher spot rates.

As one of the largest miners in the world, Agnico is like the **Wal-Mart Stores, Inc.** of the gold space. It has the raw scale needed to survive the industry's doldrums. And because of the leverage inherent in its business, Agnico's profits could soar if gold prices rebound.

What's notable is that Soros likely paid between \$30 and \$35 per share for his recent purchases. That's in line with the stock price today. This means you can still buy Agnico on the same terms as this billionaire investor.

CATEGORY

1. Investing
2. Metals and Mining Stocks

TICKERS GLOBAL

1. NYSE:AEM (Agnico Eagle Mines Limited)
2. TSX:AEM (Agnico Eagle Mines Limited)

Category

1. Investing
2. Metals and Mining Stocks

Date

2025/08/28

Date Created

2014/10/15

Author

rbailieul

default watermark

default watermark