3 Gold Miners to Buy Right Now

Description

The recent rally in gold has been short lived as the lustrous yellow metal has pulled back below US$1,200 per ounce in early March of this year. This can be attributed to growing pressure from a resurgent U.S. dollar and weak oil prices.

However, despite these headwinds there are signs that gold will rebound, making now the time to invest in these three gold miners.

Now what?

For 2014 **Agnico Eagle Mines Ltd.** (TSX:AEM)(NYSE:AEM) delivered some solid operational results. These included record annual production of 1.4 million ounces of gold and a hefty 18% year-over-year increase in its gold reserves to 20 million ounces.

It also remains a low-cost operator, with all in sustaining costs (AISCs) for the year coming at US$954 per ounce. Impressively, these are forecast to fall by 6-8% in 2015 to be US$880-900 per ounce. This will allow Agnico to continue generating a solid margin even if gold prices remain low.

It also continues to unlock the potential of its Canadian Malartic mine in cooperation with partner **Yamana Gold Inc.** (TSX:YRI)(NYSE:AUY). This, in conjunction with a range of other projects, should see production continuing to grow, with it forecasting 2015 gold production of 1.6 million ounces, or 14%, higher than 2014.

Such a solid increase in production, coupled with lower operating costs, will boost revenues and profitability, leaving it well positioned to boost its financial performance and ultimately its share price.

Yamana also appears to be attractive, with analysts recently upgrading their outlook for the company, despite weak gold prices. The company has strengthened its balance sheet, and with a wide range of mining projects under development, is set to grow production. This will generate additional revenue that will help to offset losses from weak gold prices.

Yamana is also a low-cost producer, reporting full-year 2014 AISCs for its continuing operations of

US$807 per ounce, while forecasting 2015 AISCs of between US$800-830 per ounce. As a result, I expect to see Yamana's profitability and overall financial performance to improve during 2015, which will help to boost its share price.

The world's largest gold miner **Goldcorp Inc.** (TSX:G)(NYSE:GG) also appears to be attractive. It has a solid balance sheet and is a relatively low-cost operator with 2014 AISCs of US$949.

However, it is Goldcorp's outlook for 2015 that makes it worth getting excited about. It expects gold production to jump by a healthy 14% compared to 2014, and its AISCs to fall by as much as 8% to US$875 per ounce. This can be attributed to the company bringing two low-cost, high-grade ore mines online, which will help Goldcorp become more profitable and help to boost its share price.

So what?

The outlook for gold may have become unappealing, but there is a place for some exposure to it in every portfolio. By investing in these three miners, investors gain levered exposure to any bump in the gold price, while being able to weatherproof their portfolio against growing global economic and geopolitical volatility.

CATEGORY

1. Investing
2. Metals and Mining Stocks

TICKERS GLOBAL

1. NYSE:AEM (Agnico Eagle Mines Limited)
2. NYSE:AUY (Yamana Gold)
3. TSX:AEM (Agnico Eagle Mines Limited)
4. TSX:YRI (Yamana Gold)

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