



3 Inexpensive Gold Stocks to Buy Today

Description

As the U.S. dollar has continued to strengthen, commodities like gold have continued to be under pressure, and this has caused weakness in the stocks of the companies who mine and produce it. Even though I think the recent weakness is warranted, I also think it has led to a great long-term buying opportunity, so let's take a look at three stocks that trade at inexpensive forward valuations that you should consider buying today.

1. Barrick Gold Corp.

Barrick Gold Corp. ([TSX:ABX](#))(NYSE:ABX) produced and sold 1.39 million ounces of gold in the first quarter of fiscal 2015, resulting in year-over-year declines of 12.5% and 14.4%, respectively. At today's levels, its stock trades at 26.8 times fiscal 2015's estimated earnings per share of \$0.53 and 17.3 times fiscal 2016's estimated earnings per share of \$0.82, both of which are inexpensive compared with its long-term growth potential. In addition, the company pays a quarterly dividend of \$0.05 per share, or \$0.20 per share annually, giving its stock a 1.4% yield at current levels.

2. Goldcorp Inc.

Goldcorp Inc. (TSX:G)(NYSE:GG) produced 724,800 ounces and sold 827,500 ounces of gold in the first quarter of fiscal 2015, resulting in year-over-year increases of 6.6% and 21%, respectively. At current levels its stock trades at 32.9 times fiscal 2015's estimated earnings per share of \$0.65 and 23.8 times fiscal 2016's estimated earnings per share of \$0.90, both of which are inexpensive compared with its long-term growth potential. Additionally, Goldcorp pays a monthly dividend of \$0.05 per share, or \$0.60 per share annually, giving its stock a 2.8% yield at today's levels.

3. Agnico Eagles Mines Ltd.

Agnico Eagle Mines Ltd. ([TSX:AEM](#))(NYSE:AEM) produced a record 404,210 ounces and sold 385,100 ounces of gold in the first quarter of fiscal 2015, resulting in year-over-year increases of 10.3% and 4.8%, respectively. At today's levels its stock trades at 50.1 times fiscal 2015's estimated earnings per share of \$0.78 and 42.4 times fiscal 2016's estimated earnings per share of \$0.92, both of which are inexpensive compared with its long-term growth potential and very inexpensive compared with its

five-year average price-to-earnings multiple of 54.9. In addition, the company pays a quarterly dividend of \$0.08 per share, or \$0.32 per share annually, giving its stock a 0.8% yield at current levels.

Which of these gold stocks should you buy today?

Barrick, Goldcorp, and Agnico Eagle Mines represent three of the best long-term investment opportunities in the gold industry today. Foolish investors should take a closer look and strongly consider establishing positions in one of them.

CATEGORY

1. Dividend Stocks
2. Investing
3. Metals and Mining Stocks

TICKERS GLOBAL

1. NYSE:AEM (Agnico Eagle Mines Limited)
2. NYSE:B (Barrick Mining)
3. TSX:ABX (Barrick Mining)
4. TSX:AEM (Agnico Eagle Mines Limited)

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