



Attention Gold Investors: 3 Stocks to Consider Buying Today

Description

As the U.S. dollar has risen in value at its fastest pace in 40 years, the price of gold has been under pressure, causing 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 attractive long-term buying opportunities within the industry. Let's take a closer look at three stocks that trade at favourable forward valuations that you should consider buying today.

1. Franco-Nevada Corporation

Franco-Nevada Corporation ([TSX:FNV](#))([NYSE:FNV](#)) produced 85,081 gold equivalent ounces in the first quarter of fiscal 2015, resulting in a year-over-year increase of 29.2%. At today's levels its stock trades at 87.6 times fiscal 2015's estimated earnings per share of \$0.68 and 77.4 times fiscal 2016's estimated earnings per share of \$0.77, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 162.6.

In addition, Franco-Nevada pays a quarterly dividend of \$0.21 per share, or \$0.84 per share annually, giving its stock a 1.4% yield at today's levels. The company has also increased its annual dividend payment for eight consecutive years, and its financial stability could allow this streak to continue for another eight years at least.

2. B2Gold Corp.

B2Gold Corp. ([TSX:BTO](#))([NYSE:BTG](#)) produced a record 115,859 ounces and sold a record 133,265 ounces of gold in the first quarter of fiscal 2015, resulting in year-over-year increases of 20.3% and 34.6%, respectively. At current levels its stock trades at 32.2 times fiscal 2015's estimated earnings per share of \$0.05 and 20.1 times fiscal 2016's estimated earnings per share of \$0.08, the latter of which is inexpensive compared with its five-year average price-to-earnings multiple of 31.3.

3. New Gold Inc.

New Gold Inc.'s ([TSX:NGD](#))([NYSE:NGD](#)) total gold production increased 4% to 94,977 ounces and its total amount of gold sold decreased 1.8% to 92,398 ounces in the first quarter of fiscal 2015 compared

with the year-ago period. At today's levels its stock trades at 92.5 times fiscal 2015's estimated earnings per share of \$0.04 and 26.4 times fiscal 2016's estimated earnings per share of \$0.14, the latter of which is inexpensive compared with its five-year average price-to-earnings multiple of 28.3.

Which of these stocks would fit best in your portfolio?

Franco-Nevada, B2Gold, and New Gold are three inexpensive options in the gold industry based on their forward valuations. Foolish investors should take a closer look and consider initiating positions in one of them today.

CATEGORY

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

TICKERS GLOBAL

1. NYSE:FNV (Franco-Nevada)
2. TSX:BTO (B2Gold Corp.)
3. TSX:FNV (Franco-Nevada)
4. TSX:NGD (New Gold Inc.)

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