



3 Gold Stocks That Could Soar on Earnings This Week

Description

It's a big week for investors in gold, as several gold companies have lined their quarterly earnings releases in coming days. Three big gold stocks that you should watch out for are **Barrick Gold Corp.** ([TSX:ABX](#))(NYSE:ABX), **Goldcorp Inc.** (TSX:G)(NYSE:GG), and **Yamana Gold Inc.** ([TSX:YRI](#))([NYSE:AUY](#)). Here's why.

Will Barrick deliver?

Barrick has scheduled its third-quarter earnings release for October 25 after market close.

Barrick surprised the market last quarter by delivering better-than-expected earnings per share (EPS) on higher gold prices and lower costs.

Expectations from Barrick's third quarter are muted, with analysts pegging its adjusted EPS to come in around US\$0.17 versus US\$0.24 in Q2 2016. One reason is a possible output cut because of the ongoing tax dispute between the Tanzania government and Acacia Mining, 63.9% of which is owned by Barrick.

While I expect Barrick's gold production and sales to be lower in Q3, two things could act as a positive trigger for the stock.

First, the miner could reiterate its full-year outlook, despite the challenges. Second, Barrick could announce a settlement with Tanzania following its recent announcement of ongoing negotiations that require Acacia to make a payment of US\$300 million to Tanzania in a settlement, subject to approvals.

Another big plus would be Barrick reaffirming [its costs, cash flow, and debt goals](#) this week, which should instill confidence among Barrick's investors for the coming future.

Goldcorp is on the right track

Goldcorp will release its third-quarter earnings on October 25 after market close.

This mining giant has been doing all the right things lately, from ramping up production to divesting non-core assets and bringing down its costs.

Goldcorp handily beat analysts' estimates during the second quarter and reported a whopping 25% decline in its all-in sustaining costs (AISC) to just US\$800 per ounce of gold. Management even upgraded its full-year AISC outlook to US\$825 an ounce from the previous US\$850 per ounce of gold.

While consensus estimates for Goldcorp's adjusted third-quarter EPS are in line with Q3 2016 at around US\$0.11, I wouldn't be surprised if the company tramples estimates yet again thanks to lower costs and higher prices. Also, higher production and better metal grade at mines like Cerro Negro and Red Lake should help Goldcorp offset lower grades from its primary mine, Penasquito, during the quarter.

Yamana looks promising

Yamana is expected to release its third-quarter earnings on October 26 after market close.

Yamana's earnings have been disappointing lately. According to Yamana's preliminary earnings release, its third-quarter gold production could be nearly 16% lower year over year at 257,000 ounces. Analysts project the miner to earn around US\$0.03 per share compared with nil earnings in Q3 2016.

However, there's still a fair chance that Yamana could upgrade its full-year outlook this week for two reasons: the company's production for the nine months ended September 30 is ahead of its guidance, and gold prices are higher year over year.

Watch if Yamana confirms that its seventh mine, Cerro Moro is on track to come online early next year. As the mine is [projected to boost Yamana's](#) production and cash flows substantially in coming years while bringing down its costs, any positive news this week should be welcoming.

Check back for gold stocks' earnings reviews, so you can make informed investment decisions.

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2. Metals and Mining Stocks

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2. NYSE:B (Barrick Mining)
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