



## Why Gold Is a Safe Bet in 2018

### Description

With a falling U.S. dollar, continued [geopolitical tension](#), a [stock market frenzy](#), and with Bitcoin and marijuana bubbling with froth that increasingly looks like it may be setting up for an implosion of some degree, investors can turn to gold for safety.

Trading at over \$1,330 an ounce, gold prices are hitting three-month highs.

Here are my two picks for investors looking for the “safe-haven” qualities of gold stocks.

**Agnico Eagle Mines Ltd.** ([TSX:AEM](#))([NYSE:AEM](#)) is a great place to start. The stock has rallied 10% in the last month in what I think will be a sustained rally into 2018.

With the company reporting third-quarter results that were well above expectations (EPS of \$0.29 versus expectations of \$0.16), and guidance being increased again, this stock makes a great addition to investors’ portfolios.

The stock has a dividend yield of 1%, but the key here is that the dividend was recently increased by 10%, and the company continues to perform better than its guidance.

Gold production in the quarter was 454 ounces — 9.1% higher than the same quarter last year. And, just as important, the company achieved an all-in sustaining costs per ounce (AISC) of \$789 — also better than expected.

And going forward, the company increased its gold production target and decreased its AISC to \$820-870. This compares to prior guidance of \$830-880, and initial 2017 guidance of \$850-900.

Those are pretty significant changes for the better.

Lastly and worth noting is the fact that Agnico has shored up its balance sheet and currently has a debt-to-capitalization ratio of 21.9% and almost \$1 billion of cash on the balance sheet.

Agnico reports on February 15, at which time I would expect a rally in the shares, as the company

continues to perform above expectations.

For investors looking for more risk in order for the potential of a higher return, attractively valued **OceanaGold Corporation** (TSX:OCG) is a good option for exposure to gold.

OceanaGold is delivering stellar results on the production side of things as well as on the cost side.

In the latest quarter, production increased 9%, and the company achieved AISC of \$748, which was up from last quarter but still compares very favourably to industry bellwether Agnico. And the company is still targeting an AISC of \$600-650 per ounce for the full year.

In summary, when all the market risks come to fruition, investors will be clamouring for gold stocks for their attractive appeal as “safe havens.”

## CATEGORY

1. Investing
2. Metals and Mining Stocks

## TICKERS GLOBAL

1. NYSE:AEM (Agnico Eagle Mines Limited)
2. TSX:AEM (Agnico Eagle Mines Limited)
3. TSX:OGC (OceanaGold Corporation)

## PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

## Category

1. Investing
2. Metals and Mining Stocks

## Date

2025/07/20

## Date Created

2018/01/15

## Author

karenjennifer

default watermark