



A Very Bullish Indicator Says These 2 Stocks Could Be About to Skyrocket!

Description

While fundamental analysis is a good basis for value investing, technical indicators can sometimes help investors pick a good time to buy. Timing alone can be a risky strategy, but when combined with good fundamentals, it can help you maximize your returns.

When a shorter-term moving average (MA) crosses above a longer-term average, that is referred to as a “golden cross,” which is a bullish indicator signaling that it may be a great time to buy. When the opposite happens, it is a “death cross,” and it is a strong bearish signal.

Below are two stocks that have recently seen golden crosses and that could be great buys today.

Yamana Gold Inc. ([TSX:YRI](#))([NYSE:AUY](#)) has been on a decline for some time, with its share price losing three-quarters of its value over the past five years. However, in the past six months, the stock has risen more than 40%, and that has lifted Yamana’s 50-day MA above its 200-day MA, creating a golden cross.

Back in November 2016, the stock saw a death cross happen in trading. At the time, the share price was trading near \$4.80 and would go on to decline to less than \$3 by July.

A big reason for the company’s improved share price is because it has finally been able to turn a profit. In its most recent quarter, sales were up 6%, but net income of over \$43 million was a big improvement over the \$12 million loss that Yamana posted a year ago. In the past four quarters, the company has accumulated losses totaling more than \$400 million.

Whether Yamana can continue to build on these results will be key in determining just how much momentum the stock will have. The company is expected to release its fourth-quarter results in mid-February.

B2Gold Corp. ([TSX:BTO](#))([NYSE:BTG](#)) has not had the same awful returns that Yamana has had over the years, as it has earned its investors a very modest 1% return in the past five years. However, the stock crashed to penny-stock status in early 2016, but since then the share price has soared back to highs of more than \$4. As a result, B2Gold has also seen a golden cross recently occur in its trading

pattern, as its 50-day MA continues to trend upward.

Unlike in the case of Yamana, B2Gold's ascent started much earlier. A very poor finish in 2014 saw the company incur a loss of more than \$660 million, and the following year it posted a smaller loss of \$150 million. In 2016, however, the company was able to turn a profit and has done so in four of the past five quarters.

B2Gold has been on a positive trajectory for some time, but it can take a long time for investors to gain confidence in the stock and for the 50-day MA to see enough momentum to push it above the long-term average.

However, not all gold stocks are on the rise. **Barrick Gold Corp.** ([TSX:ABX](#))(NYSE:ABX) has been down more than 6% in the past six months and is still nowhere near a golden cross. Investors should be careful not to assume that uncertainty or conflict will [result in a higher price of gold](#).

CATEGORY

1. Investing
2. Metals and Mining Stocks

TICKERS GLOBAL

1. NYSE:AUY (Yamana Gold)
2. NYSE:B (Barrick Mining)
3. NYSEMKT:BTG (B2Gold Corp.)
4. TSX:ABX (Barrick Mining)
5. TSX:BTO (B2Gold Corp.)
6. TSX:YRI (Yamana Gold)

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