



2 Gold Stocks That Investors Should Buy Now

Description

The looming prospect of trade wars has put renewed pressure on both financial markets and the U.S. dollar.

U.S. tensions with, well, many parts of the world and ongoing geopolitical turmoil are setting gold up to be the safe haven once again.

And with a weakening U.S. dollar, we can expect rising gold prices. Typically, when the U.S. dollar loses value, investors look for alternative investments to store value. Gold fits the bill, so demand will rise, and gold prices will rise.

This is where gold stocks enter the picture.

Gold is a safe haven in the midst of global turmoil, which has the potential to decrease investors' risk tolerance and send them straight to gold.

Here are my two picks in the [gold sector](#):

Agnico Eagle Mines Ltd. ([TSX:AEM](#))([NYSE:AEM](#))

Agnico Eagle has the lowest political risk profile of its peer group, with gold mines in politically safe areas such as northwestern Quebec, northern Mexico, Finland, and Nunavut, and exploration activities in Canada, Europe, Latin America, and the United States.

The company has been a consistent top performer, with solid operational performance and an industry-leading cost structure, which has driven consistently better-than-expected results.

In 2017, earnings per share increased to \$1.06 compared to \$0.71 in 2016 for a 50% growth rate, as volumes and sales prices rose.

Production of 1.7 million ounces exceeded the company's guidance of 1.68 million ounces. This represents a 2.5% production increase.

Costs came in below expectations, as the company's all-in sustaining cost (AISC) came in at \$804 per ounce. This compares favourably to **Goldcorp Inc.'s** (TSX:G)(NYSE:GG) AISC of \$870 per ounce and is industry leading.

Agnico Eagle stands to benefit from a shift in investor sentiment toward more stable, risk-averse investments such as gold as well as from its operational excellence and good organic growth profile.

For those investors that would like to take a little [more risk in this sector for the potential of a higher return](#), we have **OceanaGold Corp.** (TSX:OCG), which is delivering stellar results on the production side of things as well as on the cost side.

In 2017, the company reported a 38% increase in gold production and an 8.6% reduction in AISC. It is a little higher risk due to location of its mines, but with record production, declining costs, and a strong balance sheet, this stock has big upside.

In summary, while gold stocks have been a terrible investment in the last few years, it appears that the tide may be turning.

Investors should therefore ensure that they have exposure to this safe haven, as the markets become more and more risk averse.

CATEGORY

1. Investing
2. Metals and Mining Stocks

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1. Editor's Choice

TICKERS GLOBAL

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

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