



Gold Stocks Soar Despite Expectations for Rising U.S. Interest Rates

Description

As a result of the negative correlation between the U.S. dollar and gold prices, a weakening U.S. dollar would mean that we could expect rising gold prices, and a strengthening U.S. dollar would mean that we could expect falling gold prices.

Typically, when the U.S. dollar loses value, investors look for alternate investments to store value.

The opposite of [Bitcoin](#), which is trading at US\$8,493.02, down 45% year to date, gold is a pretty safe place to store value.

This is where [gold stocks](#) enter the picture. But why, on a day that gold prices are down and when rates are widely expected to be increased this week, did gold stocks have a great day yesterday?

Well, maybe investors are looking for a safe haven that is not the U.S. dollar, as U.S. tensions with, well, many parts of the world, and ongoing geopolitical turmoil is setting gold up to be the safe haven once again.

NovaGold Resources Inc. ([TSX:NG](#))(NYSE:NG), **OceanaGold Corp.** (TSX:OCG), and **Detour Gold Corp.** (TSX:DGC) were among the best performers yesterday, up 7.46%, 3.5%, and 3.18%, respectively.

NovaGold is a speculative stock, as it is still reporting losses, and despite the company operating in a safe jurisdiction (Alaska) and being well financed, it is not for the faint of heart.

OceanaGold is further along in its development and 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 all-in sustaining costs. And while it is a little higher risk due to location of its mines, with record production, declining costs, and a strong balance sheet, this stock has big upside.

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

Agnico shares were flat yesterday, but this stock is a good, safe buy for those investors that are bullish on gold prices.

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

CATEGORY

1. Investing
2. Metals and Mining Stocks

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:AEM (Agnico Eagle Mines Limited)
2. NYSEMKT:NG (NovaGold Resources Inc.)
3. TSX:AEM (Agnico Eagle Mines Limited)
4. TSX:NG (NovaGold Resources Inc.)
5. TSX:OGC (OceanaGold Corporation)

PARTNER-FEEDS

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

Category

1. Investing
2. Metals and Mining Stocks

Tags

1. Editor's Choice

Date

2025/08/17

Date Created

2018/03/20

Author

karenjennifer

default watermark

default watermark