



## Flight to Safety: 2 Stocks to Turn to for Exposure to Gold

### Description

[Gold stocks](#) have been terrible investments over the last two years, even as gold prices have increased 9%. But they are looking more and more attractive as a safe haven, as geopolitical and stock market risks seem to be intensifying.

So, if you are one of those investors searching for a [safe haven](#), let's take a look at two gold stocks that are attractive buys at this time. The right one for you will depend on your risk tolerance within this space, but each has its own attractive characteristics.

**Agnico-Eagle Mines Ltd.** ([TSX:AEM](#))([NYSE:AEM](#)), which is down 10% in the last year, is a high-quality gold producer with many positive features.

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

At this point in time, Agnico is on the verge of significantly increasing production from two new mines, Ameruq and Meliadine, with estimates for production growth of 31% from 2017 to 2021, according to some analyst estimates. This puts the company at the top of the list among gold producers of its size for production growth.

On the risk side, Agnico 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.

While costs have crept up recently, the company has been consistently beating expectations with each results announcement, and there is no reason to believe that will change.

**OceanaGold Corp.** ([TSX:OGC](#)) has declined 28% in the last year and is a higher-risk gold play, but record production, declining costs, and a strong balance sheet serve to mitigate the increased political risk somewhat.

In 2017, the company reported a 38% increase in gold production and an 8.6% reduction in all-in

sustaining costs.

As a counter to these stellar results, we have the fact that the company is exposed to increased political risk coming from its operations in the Philippines.

But the fact that the company's Philippines mine, the Didipio mine, is representing less and less of total gold production, is a welcome relief. In the fourth quarter of 2017, Didipio accounted for 19% of total gold produced compared to 31% for the full year.

This is as a result of an increase in production from the company's Haile mine in South Carolina, U.S., significantly ramping up production this year.

So, for those investors looking for exposure to gold, adding one or both of these stocks to your well-diversified portfolio would be a good bet.

## **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)

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