



Will Teck Resources Ltd. or Barrick Gold Corp. Rally Through the End of 2018?

Description

Teck Resources Ltd. ([TSX:TECK.B](#))(NYS:TECK) and **Barrick Gold Corp.** ([TSX:ABX](#))(NYSE:ABX) are two of Canada's top [mining](#) companies.

Let's take a look at the giants to see if one deserves to be on your buy list today.

Teck

Teck produces metallurgical coal, copper, and zinc. The three commodities have enjoyed nice recoveries in the past two years, and investors are wondering if this is the right time to own Teck, which can be a very volatile stock.

How volatile?

Teck went from \$4 per share at the low of the financial crisis to above \$60 per share in less than two years, as countries around the world launched aggressive stimulative measures to save the global economy. As often happens in the commodity markets, producers ramped up supply just as governments began to turn off the taps, and coal, copper, and zinc shifted into an ugly downturn.

By early 2016, Teck was once again on the brink and back down to \$4 per share. The subsequent rebound in its core products drove the share price back above \$35 that year, and while the stock has bounced around quite a bit since then, ranging from \$20 to as high as \$38 in January 2018, the gains are more or less intact. At the time of writing, Teck trades for \$34 per share.

The global economy is improving, and investors are looking at a potential infrastructure boom in the U.S. as a reason to own Teck. If that scenario strengthens in the coming months, Teck could add to its gains through the end of the year.

Barrick

Barrick is making good progress on a turnaround program that has reduced debt from US\$13 billion a few years ago to an expected 2018 exit position of just US\$5 billion.

The company sold off non-core assets to fix the balance sheet, and while production has dropped as a result, Barrick remains the top global gold producer with anticipated output of 4.5-5 million ounces in 2018.

Gold is moving higher on geopolitical tensions, and that trend could continue through the year. A potential U.S.-China trade war is one issue, but the situation in Syria and ongoing turbulence in the Trump administration could trigger a strong move to the upside, despite interest rate headwinds.

At the time of writing, gold trades for US\$1,360 per ounce, and Barrick can be bought for \$16.50 per share. A year ago, gold was US\$1,260, yet Barrick traded above \$26, so there might be some nice upside potential for the stock in the coming months if funds start to move back into the [gold miners](#).

Is one a better bet?

Both stocks could see strong moves through the end of 2018. That said, the easy money has likely already been made in Teck, so I would probably favour Barrick as the first choice today.

CATEGORY

1. Investing
2. Metals and Mining Stocks

TICKERS GLOBAL

1. NYSE:B (Barrick Mining)
2. NYSE:TECK (Teck Resources Limited)
3. TSX:ABX (Barrick Mining)
4. TSX:TECK.B (Teck Resources Limited)

PARTNER-FEEDS

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

Category

1. Investing
2. Metals and Mining Stocks

Date

2025/08/19

Date Created

2018/04/11

Author

aswalker

default watermark