



Here Is Why June Could Be a Crucial Month for Gold and Silver Stocks

Description

The spot price of [gold and silver shot up](#) after President Donald Trump cancelled his June 12 summit with North Korean leader Kim Jong-un on May 24. The move did not come as a surprise, as relations between the two countries had deteriorated in recent weeks. North Korea had protested the scheduling of joint military drills conducted by the U.S. and South Korea.

What provoked even more controversy was new U.S. National Security Advisor John Bolton invoking the concept of the “Libya model” in laying out the framework of the ongoing negotiations. This was a touchy subject considering the fate of former Libyan leader Muammar Gaddafi, who agreed to disarmament in 2003 before falling victim to a coup backed by the U.S. and other Western powers in 2011.

North and South Korea held unscheduled talks on May 26, which improved the outlook for a potential agreement this summer. The North Korean Central News Agency (KCNA) said that Kim “expressed his fixed will on the historic DPRK-U.S. summit talks” and South Korean leader Moon Jae-in reiterated this sentiment in a press conference on Sunday. North Korea is seeking specific guarantees for its security in order to avoid the fate of Gaddafi’s Libyan government. Both sides ultimately agreed to hold high-level talks on June 1.

Trump has also walked back his rhetoric and seems to be open to the June 12th meeting date in Singapore. As the positive news has trickled in, gold and silver prices have inched downward. The fate of the summit, and the potential peace that could come out of talks in the coming weeks, could have a [marked impact](#) on precious metals this summer. With several key meetings scheduled in June, here are three stock stocks to watch.

Agnico Eagle Mines Ltd. ([TSX:AEM](#))([NYSE:AEM](#)) stock has climbed 15.5% over a three-month period as of close on May 25. The stock is still down 1.9% in 2018. In the first quarter, Agnico reported gold production of 389,278 ounces with production costs of \$759 per ounce. The company also declared a quarterly dividend of \$0.11 per share, representing a 0.9% dividend yield.

Goldcorp Inc. ([TSX:G](#))([NYSE:GG](#)) stock has climbed 13.6% in 2018 so far. Shares have jumped 5.2%

over the past week. In the first quarter, Goldcorp reported operating cash flow of \$271 million compared to \$227 million in Q1 2017. Goldcorp also reported gold production of 590,000 in the first quarter. Shares are still down 1.3% year over year.

Pan American Silver Corp. ([TSX:PAAS](#))(NASDAQ:PAAS) closed May 25 down 2.34%. However, shares have climbed 19.3% in 2018. In the first quarter, the company reported \$207 million in revenue and cash costs of \$1.18 per ounce, which represented the lowest cash costs in a decade. It maintained its guidance of silver production between 25 million and 26.5 million ounces in 2018.

Investors should watch for fluctuations in precious metals stocks as these meetings get underway. A key breakthrough should alleviate tensions on the Korean Peninsula and could drive interest away from gold and silver safe havens in the summer.

CATEGORY

1. Investing
2. Metals and Mining Stocks

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1. NYSE:AEM (Agnico Eagle Mines Limited)
2. NYSE:PAAS (Pan American Silver)
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