



## Buy Gold Stocks Now for Calm in the Middle of This Storm

### Description

Some gold stocks have been more volatile than expected lately, but in general, these stocks are the stocks to turn to for calm in the middle of this storm of [market carnage](#).

The price of gold has now rallied almost 5% since the [market turned decidedly negative](#) in early October.

With this, we have seen gold stocks also rallying, as a function of investors turning to gold for its perceived safety characteristics.

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

Agnico Eagle stock has rallied more than 6% since early October, and the company's third-quarter results can give us comfort that this rally is supported by strong fundamentals — not only shifting sentiment.

Estimates were calling for the company to report a loss of \$0.04 per share, but it reported a gain of \$0.01 per share instead as well as an increase in production guidance and a slight decrease in cost guidance.

Agnico Eagle 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 consistently better-than-expected results.

At this point in time, Agnico Eagle is on the verge of starting 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 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 \$12 billion **Goldcorp** (TSX:G)(NYSE:GG) has been a bit of a roller-coaster ride this week, as it reported a disappointing third quarter and saw its share price tumble almost 20% in one day.

But while third-quarter results were disappointing, we can still expect to see a significant production ramp-up out of its mine in northern Quebec, and it also has a low risk profile with regard to location of mines as well as debt levels.

Lastly, for the investor who is perhaps looking for more risk for the potential of a higher return in the gold space, attractively valued **OceanaGold** (TSX:OCG) is a good option.

OceanaGold delivered stellar results, with production grades and recoveries continuing to beat expectations. Although costs have been creeping up, production out of the Haile mine in South Carolina has been ramping up, and this has served to lower the risk profile of the stock.

As the kinks are being worked out at this new mine, it is my belief that we will see strong upside to the stock.

## 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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