



2 Gold Stocks to Own in 2019

Description

Gold prices were holding firm around the \$1,250 mark in early morning trading on December 13. Market watchers in the United States are eagerly awaiting the December 18-19 meeting of the U.S. Federal Reserve. Leading into the fall, a rate hike in December seemed all but certain, but violent market turbulence across the globe has thrown that supposition into question. However, markets have appeared to price in a rate hike, and the Fed has not been vocal in contradicting that position.

Earlier this month, I'd discussed what I interpreted were [bullish signs for gold](#) heading into the new year. The first of these was the potential for a pause on rate hikes in 2019, which was recently hinted at by Federal Reserve chairman Jerome Powell. The Bank of Canada has also turned dovish in calibrating its rate-hike path with economic headwinds shaking markets across the continent.

For investors who are betting on more [turbulence and uncertainty in 2019](#), the yellow metal is a great option. Today, we will look at two stocks that are worth considering for those looking to employ this strategy.

Goldcorp (TSX:G)(NYSE:GG)

Goldcorp is a Vancouver-based senior gold-mining company with operations in Canada, the United States, Mexico, and Latin America. Shares had climbed 8.1% month over month as of close on December 12. The stock was still down 19.7% in 2018 so far.

Goldcorp released its third-quarter results on October 24. The company reported a net loss of \$101 million, or \$0.12 per share, largely due to lower production in all metals at its Penasquito mine. Operating cash flows were down year over year due to the production retreat. Goldcorp expects gold production to substantially increase in the fourth quarter to 620,000 ounces of gold compared to 503,000 ounces in Q3 2018.

Like its gold-producing peers, Goldcorp will be reliant on spot prices going forward. Bank of American Merrill Lynch analysts have recently forecast that gold could reach \$1,400 in 2019. This would represent its highest point since 2016, when gold equities enjoyed a short bull run.

B2Gold ([TSX:BTO](#))(NYSE:BTG)

B2Gold is a Vancouver-based gold mining company with mines operating across four continents. Shares have climbed 7.2% month over month as of close on December 12. The stock was up 19% over a three-month span.

The company released its third-quarter results on November 6. B2Gold posted record quarterly gold production of 242,040 ounces, which represented a 78% increase from the prior year. Gold revenue surged 110% year over year to \$324 million, and the company reported adjusted net income of \$45 million, or \$0.05 per share. Its stock was still in negative territory for 2018 as of close on December 12.

Stocks like B2Gold are a particularly appealing target considering its internal performance in 2018. Both companies we have focused on today are strongly weighted in gold compared to other miners, which have diversified into other metals. The Bank of American Merrill Lynch report projects that signals are not as bullish for silver, even if events break right for safe havens in 2019. It cites oversupply as one of the key reasons for this outlook.

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