

Is it Time to Back Up the Truck on Gold Stocks?

Description

With so much [uncertainty](#) in the world today, investors are looking for somewhere secure to put their money.

A safe haven.

Consider [gold](#), as this precious metal has been the go-to in times of elevated uncertainty.

In late 2011, gold prices peaked at close to \$1,900 per ounce, then retreated steadily to levels of just over \$1,000 per ounce at the end of 2015. Prices are currently just shy of \$1,300 per ounce.

Gold companies have worked hard at reducing costs and improving balance sheets, which leaves them well positioned to reap the rewards of rising gold prices.

So if you believe gold prices will continue to rally, here are four gold stocks to consider — stocks that, on average, have significantly outperformed the **S&P/TSX Composite Index** (TSX: ^OSPTX) in the last year.

	One-Year Return
Agnico-Eagle	-13.7%
Kirkland	79.4%
OceanaGold	30%
SSR Mining	35.8%
Average	32.4%
S&P/TSX	-6.9%

Agnico-Eagle Mines Ltd. ([TSX:AEM](#))([NYSE:AEM](#))

\$12 billion 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 company has been a consistent top performer, with solid operational performance and an industry-leading cost structure that has driven consistently better-than-expected results.

Agnico is currently on the verge of starting production from two new mines, with estimates for

production growth of 31% from 2017 to 2021, according to some analyst estimates. This puts it at the top of the list among gold producers of its size for production growth.

The company's latest results came in well above expectations as it continues its quest for operational excellence and cost reductions.

Kirkland Lake Gold (TSX:KL)(NYSE:KL)

\$7.4 billion Kirkland Gold is achieving production momentum, as it surpasses 2018 production targets and achieves a 21% increase.

With mines in Canada and Australia, Kirkland also represents a lower-risk way to play the gold space.

This is a high-quality stock that has shown operational excellence and that can be expected to continue to see strong production growth, decreasing costs, and a rising dividend.

SSRM Mining Inc. ([TSX:SSRM](#))([NASDAQ:SSRM](#))

\$2 billion SSR Mining is still attractively valued, as the company remains a top-notch performer with rapidly growing cash flow and production.

SSRM has had an impressive performance in the last few years, with strong cash flow generation and strong cost performance.

2017 free cash flow was \$111 million, and while in 2018 spending has accelerated to fund future growth, the company remains very well positioned to benefit from rising gold prices.

With a track record of beating expectations, industry leading margins and returns, a healthy balance sheet with \$475 million in cash and a debt to total capitalization ratio of just 20 times, the shares are a good buy for investors wanting exposure to a jackpot of gold.

OceanaGold Corp. ([TSX:OCG](#))

For the investor who is perhaps looking for more risk for the potential of a higher return in the gold space, attractively valued OceanaGold is a good option.

OceanaGold is delivering 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. Dividend Stocks
2. Investing
3. Metals and Mining Stocks

TICKERS GLOBAL

1. NASDAQ:SSRM (SSR Mining)
2. NYSE:AEM (Agnico Eagle Mines Limited)
3. TSX:AEM (Agnico Eagle Mines Limited)
4. TSX:OGC (OceanaGold Corporation)
5. TSX:SSRM (SSR Mining)

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Date

2025/08/17

Date Created

2019/01/25

Author

karenjennifer

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