



This Top Gold Stock Hit All-Time Highs This Week: Is It Still a Buy?

Description

Back in December I'd discussed the solid run for [gold equities](#) in the final quarter of 2018. The spot price of gold has continued to build momentum even as U.S. and Canadian stocks rallied in the opening weeks of 2019. Gold was holding firm above the \$1,310 mark as of this writing.

There are good reasons for investors to [hold gold](#) in their portfolios in 2019 as a hedge against volatility. Central banks have struck a dovish tone in January meetings, and U.S. and Canadian growth has been downgraded for the full year. This uncertainty will create a positive environment for the yellow metal going forward.

My top stock for January was **Barrick Gold**, which is now the largest gold producer in the world. However, today I want to focus on what I consider to be my top gold stock to own right now. The company released very strong result for the full-year in 2018 and looks poised to continue this positive trend going forward. It is a buy today?

Kirkland Lake Gold (TSX:KL)(NYSE:KL) is a Toronto-based gold producer. The company operates five gold mines within the Kirkland Lake camp. Shares have climbed 21.8% in 2019 as of close on February 7. The stock has shot up over 140% year over year.

Kirkland put together a record year in 2018. The company announced record levels of annual and quarterly production from its Ontario and Australia mines. Total production was up 21% year-over-year to 723,477 ounces and fourth-quarter production climbed 28% from the prior year to 230,993 ounces. CEO Tony Makuch has laid out a growth strategy that projects Kirkland to reach one million ounces of annual, low-cost gold production by 2021.

Kirkland has released production guidance that includes 740,000 to 800,000 ounces in 2019, 850,000 to 910,000 ounces in 2020, and up to one million ounces in 2021. The company also finished the year with a strong cash position of \$332 million. Kirkland is in a fantastic position to rake in profits if gold can carry its momentum into the next decade.

How does Kirkland's stock value look right now? The company looks very strong in early 2019, but shares are pricey right now. The stock had an RSI of 78 as of close on February 7. This puts the stock

well into overbought territory in early February. Investors should not eliminate Kirkland as a target entirely, but it would be wise to wait for a pullback before stacking this gold stock right now.

Kirkland is an attractive target as it has thrived even as other gold equities have suffered from the volatility in spot prices. Buyers will pay a premium if they choose to jump in now, but Kirkland is on track for solid growth into the next decade. Higher gold prices will only be a further boon to this top stock.

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