



## TFSA Investors: Here's a Quality Canadian Stock to Help Fund Your Dreams

### Description

[TFSA](#) investors are certainly always looking for the best ways to maximize the tax benefits and compounding returns that come with this investment vehicle — quality stocks they can buy and hold with little worry.

One such stock that should be a part of a well-diversified TFSA portfolio is **Agnico-Eagle Mines** ([TSX:AEM](#))([NYSE:AEM](#)).

Let's begin by talking about the gold sector and the price of gold, because ultimately this will be the biggest driver of this [gold stock](#).

The U.S. dollar is strongly correlated to movements in gold prices. As the U.S. dollar rises, the price of gold falls; gold is priced in U.S. dollars and therefore becomes more expensive in other currencies. This serves to reduce demand and, therefore, the price of gold.

On the flip side, as the U.S. dollar falls, the price of gold rises.

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. The price of gold is currently just below \$1,280 per ounce.

For their part, 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.

With many market pundits calling for a weaker U.S. dollar, as interest rates will stay lower longer given weakening growth and below-target inflation, investors may want to consider adding quality gold stocks to their TFSAs to get exposure to rising gold prices.

Agnico-Eagle is a quality gold company that has been a consistent top performer, with solid operational performance and an industry-leading cost structure, and this has driven consistently better-than-expected results.

With a \$13 billion market capitalization, 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.

With the release of its first-quarter 2019 results fast approaching (expected on April 26), let's look back at last quarter and recent developments to try to figure out what to expect.

2018 results came in above expectations, the dividend was increased 14%, and production guidance was increased. Operationally, we can expect another solid quarter, and this, in conjunction with the price of gold, which has been higher in the first quarter compared to last quarter, should drive solid results.

In summary, with a top-notch history and a 1.15% dividend yield, Agnico-Eagle stock continues to be a reliable stock for gold exposure in your TFSA.

## **CATEGORY**

1. Dividend Stocks
2. Investing
3. Metals and Mining Stocks

## **TICKERS GLOBAL**

1. NYSE:AEM (Agnico Eagle Mines Limited)
2. TSX:AEM (Agnico Eagle Mines Limited)

## **PARTNER-FEEDS**

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