



## Will the Gold Bull Get Going This Spring?

### Description

When this year started, I'd argued that investors should [keep gold in their portfolios](#). Central banks had seemingly capitulated on their rate-tightening paths in late 2018. This spurred a stock market run in the first quarter of 2019. The yellow metal managed to hold steady for much of the year before a dip in April.

The deterioration in trade talks between the United States and China has rattled markets. Back in March, it seemed a deal was near, but the sticking points that were apparent at the time [have not been resolved](#). A prolonged trade war between the world's two largest economies does not bode well for investor sentiment or for the global economy at large.

With that in mind, investors should consider a play for gold in mid-May. Let's look at two gold equities that offer solid value right now.

### Barrick Gold ([TSX:ABX](#))(NYSE:GOLD)

Barrick Gold is the second-largest gold producer in the world. It has lost the top title recently, as there has been a scramble for consolidation in the industry. Shares of Barrick have dropped 9.9% in 2019 as of close on May 13. The stock is down 3.6% from the prior year.

The company reported a first-quarter profit, bolstered by its acquisition of Randgold Resources. Leadership expects a joint venture with **Newmont** to be completed at the end of the second quarter. Adjusted net earnings came in at \$184 million, or \$0.11 per share, compared to \$170 million, or \$0.15 per share, in the prior year.

Barrick saw gold production increase to 1.367 million ounces compared to 1.049 million in Q1 2018. However, gold prices were down year over year. Barrick is still working to integrate its acquisitions, but the gold giant is a worthy bet for those betting on a bull run in the spot price this year and beyond.

## IAMGold ([TSX:IMG](#))([NYSE:IAG](#))

IAMGold is a much smaller gold producer based in Toronto. Shares of IAMGold have plunged 33.7% in 2019 as of close on May 13. The stock has dropped 57% from the prior year.

The company released its first-quarter results on May 6. Gold production fell to 185,000 ounces in Q1 2019 compared to 229,000 ounces in the prior year. Revenues were driven down to \$251 million over \$314.5 million, and the company reported an adjusted net loss of \$2.2 million. IAMGold reported lower sales volumes at several key mines. Lower gold prices also weighed on revenues and earnings.

IAMGold maintained its full-year guidance for 2019 in the face of a rough quarter. However, it did not state that these targets were at risk, and the company began cost and productivity initiatives to mitigate the risk of a downgrade. Gold production at its Westwood mine is expected to strengthen in the final three quarters of the year.

The stock is a reasonable value play for investors on the hunt for gold equities. Shares had an RSI of 30 as of close on May 13. The stock just re-emerged outside technically oversold territory.

### CATEGORY

1. Investing
2. Metals and Mining Stocks

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