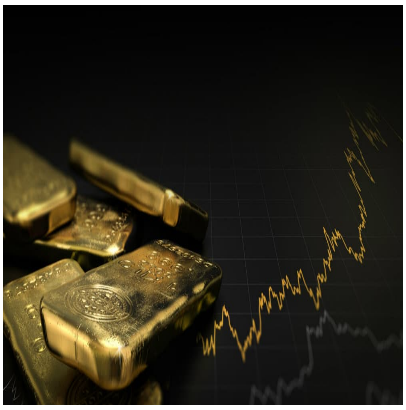

3 Gold Stocks to Buy Before the Rally Continues

Description

Gold's appreciation has stalled out recently, as fears of a recession are put on hold. However, sooner or later, these fears will come back, and each time the fear gets greater. Stocks will eventually continue to fall further, and gold will continue to appreciate.

The recent stall in gold's appreciation says a lot about investor sentiment. It has been flat but not down, which seems like investors aren't willing to sell, they are just waiting for a new reason to buy.

This has created an opportunity for investors, especially those who may have missed the gold rush the first time.

Eventually, more negative news will come about, and gold's bull run will continue, so for investors, the time to buy gold stocks is now.

The best share performance will come from those stocks that have stable operations and cost management. It's a lot more reassuring as a shareholder knowing that the increase in gold price will be realized, because the company can keep its costs in line.

Three of the top gold stocks are **Newmont Goldcorp** (TSX:NGT)(NYSE:NEM) **Agnico Eagle Mines** (TSX:AEM)(NYSE:AEM), and **Barrick Gold** (TSX:ABX)(NYSE:GOLD).

Newmont

Newmont is one of the largest gold companies in the world with assets spread all across the globe. It has a number of projects up and running, as well as numerous growth projects at different stages. This allows the company to be flexible when it wants to ramp up production.

The company has massive operations that allow it to keep its costs minimized. It's expecting to do 6.5 million ounces of production in 2019 at all-in sustaining costs of just $975.

It's a great buy if you believe gold will continue to appreciate. A $100 increase in the price of gold leads to a $450 million increase in attributable free cash flow.

When including the numbers from the Goldcorp merger, the company expects to do 7.4 million ounces of production next year, at all-in sustaining costs of $935.

Agnico Eagle

Agnico is another large gold mining company with operations in Canada, Mexico, and Finland.

It has performed well so far this year. Through the first six months, per share earnings are up 33% from $0.21 last year to $0.28 this year. The increase in earnings was attributed to the higher gold price we are seeing this year, but also lower costs.

Payable gold production in the second quarter was more than 400,000 ounces, with all-in sustaining costs of just over $950.

The company is expecting to do 1.75 million ounces of production for the full year, with all-in sustaining costs coming in between $875 and $925 million.

It's up over 40% year to date compared to gold's increase of ~17%.

Barrick

Barrick is the largest gold mining company in the world. It has mine operations in Canada, the U.S., Argentina, Australia, the Dominican Republic, and Chile, just to name a few.

The natural size of Barrick gives it a major advantage over other smaller companies, as it has the ability to scale and insulate itself from geographic or geopolitical risks.

In the second quarter, gold production was up ~27% from just over a million ounces last year to ~1.4 million ounces this year. First-half production was equal to 2.72 million ounces at all-in sustaining costs of just $847.

Revenue in the second quarter was up more than 20% from $1.7 billion last year to over $2 billion in 2019.

Barrick's business has been growing well this year, and the stock price has followed. It's up nearly 40% year to date and is always an investor favourite.

Bottom line

It's highly unlikely this pause in gold's appreciation will last long, so investors would be wise to buy shares before more negative news comes out.

CATEGORY

1. Investing
2. Metals and Mining Stocks

3. Top TSX Stocks

TICKERS GLOBAL

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2. NYSE:B (Barrick Mining)
3. NYSE:NEM (Newmont Mining Corporation)
4. TSX:ABX (Barrick Mining)
5. TSX:AEM (Agnico Eagle Mines Limited)
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