



1 “Golden” Opportunity You Shouldn’t Miss in the Market Sell-Off

Description

A recovery seems to be in store for one gold miner in the weeks to come. The name is not **Barrick Gold** — the world’s largest gold producer. Investors should include Vancouver-based **Sandstorm Gold** ([TSX:SSL](#))([NYSE:SAND](#)) in their watch lists during this [period of heightened volatility](#).

Smooth operator

With the COVID-19 scare, investors are again searching to invest in safe-haven assets like gold. Sandstorm is a gold royalty company that focuses on operating mines or advanced-stage development projects. This \$1.3 billion company buys not only gold but other metals from the companies.

Sandstorm achieved multiple milestones in the full year 2019. First up is the record revenue of \$89.4 million, which is a 22% increase versus the full year 2018. The cash flows from operating activities also reached record levels as it grew by 23.6%. But the most impressive was the 177.9% growth in net income (\$5.9 to \$16.4 million).

The company’s streams and royalties are scattered. About 44% comes from South America, 22% in Canada, 18% from the rest of North America, and the remaining 15% are from other countries.

On February 21, 2020, Sandstorm formally traded on the NYSE, moving up from the NYSE America. On the TSX, the current price is \$7.44 per share. Sandstorm’s year-to-date loss is 23.2%, although analysts covering the stock are forecasting a potential gain of 11.3% in the next 12 months.

Bull market

Whether you would like to believe it or not, the bull market for gold and silver began in June last year with the price breakouts. Notwithstanding the coronavirus, the gold price forecast in 2020 is mildly bullish. But in 2021, the precious metals could be testing all-time highs.

The bull market for gold is still in the early stage and the pace is slow. The speed could pick up in

2021. The gold price could climb to \$1,750 per ounce this year then peak to \$1,925 per ounce in the next.

As of this writing, the gold price is around \$1,615 already and holding up while fighting through the coronavirus crisis. It's too early to tell if the rescue package can sustain the market. If not, gold will skyrocket to prove that it's still the safest asset to own. Gold stocks like Sandstorm could benefit from the resurgence.

Hedge versus market downturn

With the current gold price hovering over \$1,600, the year-end price projection of \$1,750 appears plausible. Even American banking giant **Goldman Sachs** has finally taken a bullish stance on the precious metal.

Gold could be making a comeback in this period of [extreme market volatility](#). Its image as a safety to net investors is resonating again given the uncertainty. One potential catalyst to drive gold prices higher is the decline in gold extraction. Low production means higher demand.

The current gold situation should favour other TSX gold stocks, like **Barrick**, **B2Gold**, **Franco Nevada**, **Kirkland Lake**, and **Yamana**, among others.

However, the stellar performance of Sandstorm Gold makes it one of the most promising gold stocks in 2020. The opportunity is golden because you'll have a hedge against a market downturn.

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