



## After a Solid Q1, Top TSX Gold Stocks Look Set for New Peaks

### Description

Energy and airline stocks have been some of the hardest-hit sectors amid the recent market rout. Utilities and telecom stocks largely tracked the broader markets. But one segment that went through the roof and notably outperformed TSX stocks at large is the gold miners.

TSX gold miner stocks have stayed notably strong so far this year, even during the COVID-19 crash in March. While rallying physical gold prices have mainly fueled the upward climb so far, their first-quarter earnings will likely get the momentum going.

Let's take a look at top TSX gold miner stocks that have reported solid Q1 earnings and might keep rallying.

### Top TSX gold stock: Barrick Gold

The second-biggest gold mining company, **Barrick Gold** ([TSX:ABX](#))(NYSE:GOLD), has started the year with strong Q1 earnings growth. Its net income increased 55% compared to the year-ago period.

Higher gold and copper production supported by higher realized prices lifted its quarterly earnings. Realized gold prices surged to \$1,589 per ounce from \$1,307 per ounce in the same period last year.

However, Barrick Gold trimmed its production forecast to 4.6 million to five million ounces for the current year. In 2019, the company produced almost 5.5 million ounces of gold. The planned production cut from the Canadian miner might have come in the wake of lower demand due to lockdowns.

Importantly, physical gold prices will likely continue to march higher given the global economic growth concerns. Additionally, lower interest rates and volatility in equities further increase gold's appeal as a safe haven.

Bank of America recently [issued](#) some of the most bullish outlooks for gold, with a price target of \$3,000 for the next 18 months. This might keep supporting gold miners' earnings in the coming

quarters as well.

Barrick's improving debt profile was another highlight in its quarterly release. Its net debt reduced by 17% during the quarter, further strengthening its balance sheet.

[Barrick Gold stock](#) is currently trading close to \$40, its eight-year-high levels. The TSX stock might continue to soar higher given its solid earnings and rallying gold prices.

## Kinross Gold

Toronto-based **Kinross Gold** ([TSX:K](#))([NYSE:KGC](#)) reported its first-quarter earnings on May 5. Its profit surged more than 50% during the quarter due to higher production and realized gold prices. Favourable foreign exchange movements, particularly for Brazil and Russia, also uplifted its earnings during the quarter.

The senior gold mining company Kinross is a fundamentally strong company with ample liquidity and favourable leverage. Its operational efficiencies have kept the cost of metal sales under control, which ultimately improved net margins amid higher gold prices. Its diverse portfolio of mines has notably exceeded production targets in the last eight straight years.

At writing, top TSX stock Kinross Gold was trading close to \$10, close to its 52-week high. However, it is still trading at a 50% discount compared to its levels during the 2008 financial crisis.

Interestingly, Kinross stock does not look stretched from the valuation standpoint despite a recent rally. Thus, strong quarterly earnings and a bullish outlook for gold might continue to push this TSX stock higher.

### CATEGORY

1. Coronavirus
2. Investing
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### TICKERS GLOBAL

1. NYSE:B (Barrick Mining)
2. NYSE:KGC (Kinross Gold Corporation)
3. TSX:ABX (Barrick Mining)
4. TSX:K (Kinross Gold Corporation)

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