



TSX Gold Stocks: Buy Them While They're Still Cheap

Description

TSX gold stocks have had a steady rise for the last few years, but especially as the market has been rallying. This has been odd until now, as it's somewhat unusual to see gold stocks rally alongside the market.

Although, in the last few weeks we've seen a shift from a rally in defensive stocks to more value stocks. This risk-off trade by the market has seen gold stocks sell off slightly, as more investors dump gold for the rapidly rallying value stocks.

This selloff could create a major opportunity for those investors looking to buy TSX gold stocks.

Because unlike defensive equities, it doesn't always take a recession for gold stocks to appreciate. If we continue to have economic issues that governments decide to handle by printing money, the economic issues may be temporarily solved, but gold will see rapid appreciation.

Although investors have shifted their mentality, and it's clear that the market has been taking more risks, it hasn't changed the high-quality environment for gold prices and gold stocks, making this pullback a great opportunity for savvy investors that are patient.

Here are two top TSX gold stocks that have been pulling back slightly the last few weeks, offering significant potential.

Large-cap TSX gold stock

One of the top investments to consider today is **Agnico Eagle Mines** ([TSX:AEM](#))([NYSE:AEM](#)).

Agnico Eagle is a massive large-cap gold producer with operations in Canada, Mexico, and Finland. The TSX gold stock has consistently been one of the best in its industry.

[COVID-19](#) has had an impact on business, affecting roughly 10% of its production this year. Despite that, and costs which have risen slightly, Agnico could see its profits continue to grow.

The gold producer is well managed and well diversified, which significantly reduces the risk of the investment. Because it has nine operating mines, it allows the company to manage short-term headwinds, as we've seen with the coronavirus.

Furthermore, it's positioned very well financially. And with its free cash flow continuing to increase as the price of gold increases, there shouldn't be any risk from a financial standpoint.

As of Wednesday's close, Agnico was down 15% from its 52-week high. The stock has pulled back the last few weeks, as investors have left safe-haven investments for more risk in the market rally.

However, I expect this market rally to be short-lived and Agnico to reach new 52-week highs shortly. So, this is the perfect opportunity for investors to gain exposure before the stock really takes off.

Mid-cap TSX gold stock

Another option for investors is the mid-cap gold producer, **B2Gold** ([TSX:BTO](#))(NYSE:BTG).

B2Gold is another great company that's seen a slight pullback recently. Despite that, the company continues to be one of the best options for investors seeking a TSX gold stock.

First and foremost, it's an extremely low-cost producer. This is crucial, as costs are one of the biggest determinants of profitability.

In the first quarter, B2Gold's cash costs were just \$382 an ounce. Furthermore, its all-in sales costs were only \$695 an ounce. These are extremely low, especially compared to gold, which continues to trade above \$1,700 an ounce.

B2Gold is also positioned very well financially with a significant cash position, leaving it with almost no net debt. The impressive financial position, no doubt, played a significant factor in management's decision to double the dividend during the most recent earnings report.

B2Gold has significant potential to grow from here; plus, if gold can continue to [increase in price](#), the TSX stock could be one of the top performers this year.

Bottom line

This environment is the perfect opportunity for TSX gold stocks. And with the recent pullback that a lot of gold producers have seen lately, this may be the last chance investors get to buy these stocks with this much of a discount.

CATEGORY

1. Investing
2. Metals and Mining Stocks

TICKERS GLOBAL

1. NYSE:AEM (Agnico Eagle Mines Limited)
2. NYSEMKT:BTG (B2Gold Corp.)
3. TSX:AEM (Agnico Eagle Mines Limited)
4. TSX:BTO (B2Gold Corp.)

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