



Time to Load Up on TSX Gold Stocks

Description

Earlier this week, the news of a highly effective vaccine seemed like good news for almost all stocks. However, some **TSX** stocks seemed to suffer as a result.

Now that the vaccine looks to be on the way, investors have switched focus to distressed businesses and have sold-off tech and gold stocks which have rallied through the pandemic.

If you think about it, this doesn't make a whole lot of sense. Gold has been rallying because of the financial and economic consequences of the virus.

The vaccine is extremely important to start to help save lives. However, it doesn't fix the lingering economic issues caused by the pandemic. Furthermore, one of the biggest catalysts for gold prices over the short-term was an inevitable stimulus bill that the United States desperately needs.

No matter what happens when Joe Biden takes over as President or the news of how safe the vaccine is (which is expected over the next few weeks), none of that will change the need for stimulus.

However, that's not all. It's possible that even after this next round of stimulus, more could be needed down the road. We are still nowhere near the end of the pandemic.

For the entire world to end the pandemic and for the world economy to fully recover is a long way off. Therefore, it's extremely early for people to be giving up on gold stocks.

Investors will realise this soon. That's why now is the best opportunity to gain exposure to the top gold stocks you can find. Here are two of the best to consider, now trading at massive discounts:

High-growth TSX gold stock

The first TSX gold stock I would consider adding to your portfolio is one of my favourite stocks at the moment, **Equinox Gold Corp** ([TSX:EQX](#)).

Equinox is a relatively new gold stock, but the company has been on a roll the last few years. Since the start of 2019, Equinox shares are up more than 171%, even after the recent selloff the stock's been having.

At first, the selloff was a great entry point for investors, but now the discount in Equinox shares makes it too cheap to ignore. It's especially cheap when you consider just how much Equinox intends to ramp up its production over the next few years.

In 2020, it will produce roughly 450 thousand ounces of gold. The company wants to more than double that by 2023 when it expects to produce 1 million ounces of gold.

This massive growth has been especially attractive as gold prices have been rising. However, they've also helped Equinox to grow in size, making it an intermediate gold producer and earning it a higher valuation as a result.

Going forward, there's a lot going for Equinox and its investors. That's why gaining exposure today at nearly 25% off its 52-week high is such an attractive proposition. Both its growth potential and major discount combine to make it one of the top [gold producers](#) you can buy today.

Massive large-cap gold stock

Another top gold stock you could consider is one of the biggest producers in the world, **Barrick Gold Corp** ([TSX:ABX](#))(NYSE:GOLD).

Barrick doesn't have quite as much growth potential as Equinox. However, it's a much safer bet for investors. Plus, it pays a dividend, and with its rapidly increasing free cash flow, it could easily increase that dividend considerably.

It's one of the best choices because it's so big and diversified. With roughly 5 million ounces of annual production, the company is able to handle issues at one mine or location. This is why [Barrick](#) is one of the favourite gold stocks among investors. It's a perfect low-risk way to gain leverage to the price of gold.

Warren Buffett even bought shares of Barrick earlier this year. This goes to show what a high-quality long-term investment Barrick is. Warren Buffett doesn't invest for the short-term, so if Buffett is buying it, he clearly sees significant long-term value.

Bottom line

The current discount in gold has created an incredible investment opportunity like no other. However, I don't expect these discounts to last, so if you're considering buying a TSX gold stock, I'd take advantage of these bargains soon.

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TICKERS GLOBAL

1. NYSE:B (Barrick Mining)
2. TSX:ABX (Barrick Mining)
3. TSX:EQX (Equinox Gold Corp.)

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