



1 Top Canadian Stock to Buy for April 2021

Description

Last year, the pandemic-induced [economic crisis](#) reaffirmed the power of holding secure assets like gold during times of uncertainty. Nevertheless, the performance of this sector has been underwhelming for investors of late.

Some investors may think gold has lost its “Midas touch” as a portfolio hedge.

However, I’m going to discuss why I think precious metals are simply in the early innings of a bull run. Accordingly, for investors who are looking to play this space, **Kirkland Lake Gold** (TSX:KL)(NYSE:KL) is certainly the [best option](#) right now.

Here’s why.

Kirkland Lake has excellent fundamentals

Yes, gold miners have traditionally been undervalued in recent years. However, with a valuation multiple of 11 times earnings, Kirkland Lake Gold stands out among the other gold miners.

Indeed, this stock is dirt cheap right now when compared to the other players in the sector. Besides having extraordinary value and a top-notch balance sheet, the company generates tonnes of free cash flow.

Furthermore, Kirkland’s quick ratio reflects a strong liquidity position. This is a vital parameter for investors who primarily focus on a company’s fundamentals. The company’s impressive ratio is driven by excellent operating efficiency and a pristine balance sheet. The company essentially has zero debt and is expected to produce 1.3-1.4 million ounces of gold this year. Its all-in sustaining costs remain around \$900 an ounce.

Indeed, Kirkland Lake’s fundamentals and stellar balance sheet of the company reaffirm Kirkland’s potential to generate outsized gains at least over the next 12 months.

An acquisition could be on the way

Currently, it appears that the shares of this company are extremely undervalued. This is beneficial for long-term shareholders who believe an acquisition could be on the horizon.

Given Kirkland Lake's large cash position, I think another acquisition adding gold reserves to this high-quality miner could be extremely beneficial for this stock. One of the company's high-grade mines in Australia is nearing the end of its lifespan. This has led to speculation another acquisition could be on the horizon.

Indeed, I think Kirkland Lake Gold is on the hunt right now to acquire another high-grade mine. Its Detour Gold acquisition was initially bemoaned by the market due to its relatively low-grade operations. Adding some additional grade could provide a meaningful boost to this company's stock price.

Bottom line

I think gold's recent underperformance is but a blip on the long-term trajectory of this precious metal. Long-term investors would do well to consider high-quality miners like Kirkland Lake today.

Indeed, Kirkland Lake stock has been an underperformer of late. It can be hard to see how this could be a top pick right now.

However, I believe the company's excellent fundamental value and strong liquidity position makes it a great option for investors. There's ample reason to make this company a top portfolio holding today.

CATEGORY

1. Investing
2. Metals and Mining Stocks

POST TAG

1. Gold
2. growth
3. growth stocks
4. investing
5. market
6. Stocks

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise

7. Yahoo CA

Category

1. Investing
2. Metals and Mining Stocks

Tags

1. Gold
2. growth
3. growth stocks
4. investing
5. market
6. Stocks

Date

2025/07/02

Date Created

2021/03/29

Author

chrismacdonald

default watermark

default watermark