



Gold Is Cheap: 2 Stocks to Buy Now

Description

Over the last few months, almost every asset class has been rallying. The one asset that hasn't rallied has been gold. However, the discount in gold stocks is creating an excellent opportunity to buy these cheap stocks now.

After a strong rally in 2020 due largely to the pandemic, many investors sold their gold in favour of stocks with recovery potential.

This makes sense. However, the result has been gold prices and gold stocks that are extremely undervalued.

It's important to remember that although the market has been rallying and the economy is on its way to recovering, we aren't out of the woods yet. The economy is still suffering, and tonnes of stimulus is being added to economies worldwide.

So, even with a massive rise in popularity of other assets such as recovery stocks or Bitcoin, gold still has an important role in investors' portfolios. Here are two of the top gold stocks to buy today.

One of the best value stocks in Canada

Several gold stocks are trading cheaply due to the selloff of gold prices over the last six months. One stock, though, that's been extremely cheap is **B2Gold** ([TSX:BTO](#))(NYSE:BTG).

On top of being a cheap gold stock, B2Gold is one of the cheapest stocks in Canada. The stock is one of the lowest-cost producers in the gold industry. So, its incredible discount makes it one of the best stocks to buy now.

Having low-cost operations is important, because it keeps the stock's operations profitable, even when gold prices fall. And when gold prices rally, its margins can become very favourable.

The stock is such a cash cow that it even began paying a dividend to investors last year. Currently,

B2Gold's dividend yields over 3%. That makes it one of the top [dividend stocks](#) in the gold industry.

It likely won't be this cheap for long, though. I've been [recommending B2gold](#) for some time now, and in the last month, it, along with the price of gold, has begun to rally consistently.

So, it's only a matter of time before B2Gold, trading at forward price-to-earnings ratio of just 11.3 times, rallies rapidly as the whole sector recovers.

Of the nine analysts covering the stock, seven have a buy and two have it rated a hold. The stock's average target price is over \$9.25. That's a more than 45% premium from today's share price and yet another reason why B2Gold is one of the top gold stocks to buy now.

A top gold stock to buy now for growth

Another high-quality gold stock to buy now is **Equinox Gold** ([TSX:EQX](#)). Equinox is a great choice, because it offers so much growth potential over the next few years.

The company only commenced production in 2018 and is already targeting annual production of one million ounces by 2023. So, on top of the stock being cheap because gold prices are cheap, it offers a tonne of upside potential over the next few years.

Equinox has proven in its short time that not only can it execute its organic growth projects, but it can make value accretive acquisitions too. This has been extremely positive for shareholder value.

Over the last three years, gold prices have risen by 33%. However, Equinox has rallied by more than 90% — almost three times as much.

The [growth stock](#) still has potential from here, especially with the ramping up of its production over the next few years.

And right now, the analysts that cover the stock have an average target price of more than \$16. That's also more than 40% upside from its current price.

Equinox's discount today, coupled with its growth potential over the next few years, makes it one of the top gold stocks in Canada. And considering gold is so cheap currently, it's one of the best stocks to buy now.

CATEGORY

1. Dividend Stocks
2. Investing
3. Metals and Mining Stocks

TICKERS GLOBAL

1. NYSEMKT:BTG (B2Gold Corp.)
2. TSX:BTO (B2Gold Corp.)
3. TSX:EQX (Equinox Gold Corp.)

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