



Gold Is Soaring Again: This Top TSX Stock Is Poised for a Breakout

Description

Gold had been underperforming at the beginning of the year. However, recently, the precious metal reached the highest point since February 2021. Reports are coming in that China might be importing more gold while bond yields are pulling back.

Indeed, now would be an excellent time for investors to play this space by adding exposure to [elite gold mining companies](#) such as **Kirkland Lake Gold** (TSX:KL)(NYSE:KL).

China's demand for gold is bullish for the metal

After trading at underwhelming price levels for weeks, it appears that gold has finally advanced while the dollar and Treasuries are set for weekly losses. According to *Reuters*, China has given the green light to its banks to import substantial quantiles of the bullion to fulfill domestic demand.

Accordingly, close to 150 tonnes of gold and silver will be shipped in the next few months. China's demand for gold had jumped up during the start of the previous year owing to the Lunar New Year holiday. Indeed, sales of renowned urban retailers increased more than two times throughout this period. As per the projections of Metals Focus, China's demand for gold jewelry will increase by approximately 30% during this year.

Kirkland Lake's fundamentals highlight exceptional value

In the current economic environment, world-class gold miners like Kirkland Lake are highly undervalued. This stock has a valuation multiple of 13 times earnings and trades around the \$46 mark at the time of writing. Indeed, shares of this Toronto-based company are dirt cheap right now.

Considering where the rest of the market is with respect to valuation, this stock appears to be a steal.

Indeed, Kirkland Lake's high-quality mines and excellent margins make for a real long-term winner. Kirkland Lake's balance sheet is pristine, with essentially no debt. For investors considering the

potential of rising gold prices on the horizon, I think Kirkland Lake could finally catch a bid.

Accordingly, I have no doubt that this gold miner is an excellent option for investors to consider in the gold mining space today. Kirkland Lake has room to continue increasing its production and its dividend over time. Indeed, I believe investors simply need to be patient with this stock. Over time, the market will acknowledge the value of this high-quality miner.

Bottom line

For investors who are bullish on gold over the medium and long term, Kirkland Lake stock remains an excellent option. In my view, this gold miner has the potential to outperform for at least 12 months, if not more.

Accordingly, I believe that this is an excellent option for investors to consider today.

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