



Betting on Gold? Consider This Top TSX Gold Play Today

Description

Gold has been a go-to option for investors who want to hedge their portfolios. And gold miners provide heightened exposure to the hedging value of this precious metal commodity.

Accordingly, given the volatility presenting itself in today's market, investors looking to add some defensiveness may want to check out high-quality gold miners right now. In this space, **Equinox Gold** ([TSX:EQX](#)) is one of my [top picks](#) right now.

Here's why I think all investors would do well to consider this stock today.

Analysts' favourable ratings pave the way for this stock

As we come through yet another earnings season, it's important for investors to take a step back and look at their potential investments. Indeed, every stock has an intrinsic upside and target price. And many investors pay close attention to what the analysts think about a given stock.

In the case of Equinox, analysts are quite bullish on this company. The average consensus rating is a "buy" on this gold miner. And for good reason.

Most analysts point to this current valuation of Equinox as attractive for those looking for an entry point. I have to agree. Equinox trades at a forward price-to-earnings ratio of only nine. It's dirt cheap today.

Additionally, the company has been making the necessary investments to boost production. At the same time, Equinox has been managing its cost structure well. Accordingly, this is a stock with excellent margins today and the potential for expanding margins in the future.

Analysts project EBITDA growth of 67% and the possibility of target price increases on the horizon. That sure sounds good to me.

Bottom line

Equinox's well-diversified business model across various mining-friendly jurisdictions is great for shareholders. This is a company with world-class assets and a top-notch management team. There's really not a lot to dislike about this company from a fundamentals perspective.

I think gold miners are among the most [undervalued](#) stocks among its peer group right now. Indeed, that says a lot. Gold miners continue to trade at the lowest valuation multiples relative to where gold is trading at right now from a historical perspective. For those who believe these valuations will ultimately revert toward their longer-term mean, now is the time to consider these companies.

That being said, a significant portion of Equinox's intrinsic value is tied to the price of gold. Where precious metals go from here is anyone's guess. However, for those bullish on gold (as I am), Equinox is one of those dirt-cheap companies that screams "buy me" right now.

CATEGORY

1. Investing
2. Metals and Mining Stocks

POST TAG

1. Editor's Choice
2. Gold
3. growth
4. growth stocks
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TICKERS GLOBAL

1. TSX:EQX (Equinox Gold Corp.)

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Author

chrismacdonald

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