



2 Top TSX Gold Stocks to Buy as Portfolio Insurance Today

Description

The “when” and “where” of investing are two of the most crucial factors investors should consider. Their ROI depends on it.

Indeed, venturing into equities has never been just about growth and income. Capital preservation and portfolio stability are key factors to consider in any market. With volatility picking up, investors may do well to seek safety in this market.

Accordingly, those looking to [battle volatility](#) may want to consider these two top gold stocks right now.

Franco-Nevada

As far as gold plays go, **Franco-Nevada** ([TSX:FNV](#))([NYSE:FNV](#)) remains one of my [top picks](#). This stock may seem a little overpriced at first glance. I mean, it’s trading at a pretty rich valuation multiple currently.

However, that’s for a reason.

The company’s valuation is relative to the stability and safety of the cash flows it provides investors. Unlike traditional gold miners, Franco-Nevada is a royalty and streaming play. Royalties provide all the upside investors could want (and more, with options on production volume), but with less downside risk. Unless production volumes drop, or gold miners can’t meet their obligations, Franco-Nevada gets paid.

These cash flows are among the best in the sector, and Franco-Nevada is priced accordingly. Indeed, should gold prices continue their ride, gold miners are also likely to increase production, and therefore royalty streams, to Franco-Nevada. This company’s stock price is factoring in higher cash flows over the medium term, and I think this company’s valuation is decent in this context.

Long-term investors seeking the best risk-adjusted returns in the gold mining space may want to look at FNV stock today.

Equinox Gold

As far as gold miners go, I really only have a few on my list that I watch closely. And **Equinox Gold** ([TSX:EQX](#)) has made the cut.

This mid-cap producer is one of the best operators in its class. The company has excellent gold reserves, very good margins, and is a cash flow-growth machine. I expect the company to report some very strong numbers in the coming quarters due to the current gold price environment. For gold bulls (like me), Equinox provides excellent upside leverage to this trade.

The company's operations are spread across mining-friendly jurisdictions around the world. Thus, this gold miner provides investors with smart geographic diversification. Countries like Canada, Mexico, Brazil, and the U.S. are among the best markets for gold miners to operate. And Equinox has shown the ability to develop its mines safely and sustainably — something investors like.

Furthermore, Equinox provides investors with immense upside potential in the years to come. The company has an aggressive expansion strategy it's rolling out. And if everything plays out as intended, the company could nearly double its current production of 650,000 ounces of gold per year to 1.1 million ounces. Again, for those bullish on gold, this is a very good thing.

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1. Investing
2. Metals and Mining Stocks

POST TAG

1. Gold
2. growth
3. growth stocks
4. investing
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TICKERS GLOBAL

1. NYSE:FNV (Franco-Nevada)
2. TSX:EQX (Equinox Gold Corp.)
3. TSX:FNV (Franco-Nevada)

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