



Worried About the Market? 3 Cheap Gold Stocks to Buy Now

Description

In early September, I'd [discussed](#) why gold stocks were worth a look, as the summer wound to a close. At the time, I'd suggested that loose monetary policy and an uncertain economic situation had the potential to generate a bullish environment for gold stocks. Once again, the big beneficiary has been the [crypto market](#) to kick off the fall. I'm still looking to scoop up [cheap](#) gold stocks right now.

Should investors be worried about the economy and the market?

Last week, the International Monetary Fund (IMF) reduced its 2021 global growth forecast to 5.9% in its World Economic Outlook. This was down from its 6% growth forecast it set in July. Moreover, it expects a 2022 global growth forecast of 4.9%. The downgrade appears slight. However, the United States and Canada both suffered a sharper reduction. The IMF expects Canada to post growth of 5.7% in 2021 — down from its 6.3% growth projection in July.

Canadian businesses will also face pressure from inflation and labour shortages. This could have knock-on effects that stir a loss of faith in this ongoing recovery. Investors on the hunt for protection could turn to gold stocks in this environment.

Why these gold stocks look very cheap

The spot price of gold has held below the US\$1,800/ounce mark since the beginning of September. Gold bulls were rewarded in 2020, as the yellow metal rose to an all-time high above US\$2,000/ounce. However, it soon gave way to a surge in equities and huge momentum for digital currencies. Gold stocks look like they possess very nice value, as the bullish case for precious metals builds up.

China Gold Resources ([TSX:CGG](#)) is a Vancouver-based company that acquires, explores for, develops, and mines mineral properties in the People's Republic of China. Shares of this gold stock have climbed 102% in 2021 as of close on October 19. The stock is up over 150% from the previous

year. In Q2 2021, China Gold delivered revenue growth of 46% to \$304 million. Meanwhile, net income soared 444% to \$100 million and total gold production jumped 13% to 71,225 ounces.

Shares of this gold stock last had a very attractive price-to-earnings (P/E) ratio of 4.7. This red-hot stock is still undervalued in a shaky market.

Torex Gold ([TSX:TXG](#)) is an intermediate gold producer with properties in Mexico. The stock has plunged 31% in the year-to-date period. However, its shares have climbed 6.7% month over month.

The company released its second-quarter 2021 results on August 5. It maintained its gold production guidance between 430,000 and 470,000 ounces. Revenue for the first six months of 2021 was reported at \$437 million — up from \$281 million in the year-to-date period in 2020. Meanwhile, adjusted EBITDA more than doubled to \$267 million. This gold stock possesses a super-favourable P/E ratio of 3.6.

Kinross Gold ([TSX:K](#))([NYSE:KGC](#)) is a Toronto-based gold producer, one of the largest in Canada. Its shares have dropped 26% in 2021. The gold stock has increased 8.6% month over month.

Investors can expect to see its third-quarter 2021 results in early November. In the first half of 2021, Kinross posted adjusted net earnings of \$349 million or \$0.28 per share — up from \$321 million, or \$0.26 per share, in the previous year. Kinross stock last had an attractive P/E ratio of 5.9. It offers a quarterly dividend of \$0.08 per share, representing a 2% yield.

CATEGORY

1. Investing
2. Metals and Mining Stocks

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1. Editor's Choice

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1. NYSE:KGC (Kinross Gold Corporation)
2. TSX:CGG (China Gold International Resources Corp. Ltd.)
3. TSX:K (Kinross Gold Corporation)
4. TSX:TXG (Torex Gold Resources Inc.)

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