



## Will TSX Gold Stocks Ever Recover?

### Description

Markets have rallied almost 35% since last year and have more than doubled since the pandemic lows. Similar zeal was seen in tech, while energy stocks shot to the moon this year. Amid the rallying stocks, however, one area has been underperforming terribly—gold. Gold stocks have lost almost 35% in the last 12 months. Importantly, there seems no driver that could bring back the enthusiasm among yellow metal investors, at least in the short term.

### Gold stocks continue to lose their sheen

Gold saw an epic rally early last year when the pandemic brought a host of uncertainties with it. Miners toiled hard and posted record profits amid higher production and gold prices. However, things upturned rather quickly amid the faster-than-expected recovery from the pandemic. Market participants offloaded safe havens like gold and entered back into risky assets.

More importantly, the full economic recovery still seems far, and thus, the broader markets could continue to rally. This might bring gold and gold investors somewhat in the discomforted position.

Gold miners have been reporting muted or rather negative financial growth this year, which will likely weigh on their stocks. Additionally, gold might continue to trade weak in the next few quarters given the steady economic growth and Fed's rate hike and tapering.

### Top Canadian gold stocks

World's second-biggest gold producer stock **Barrick Gold** ([TSX:ABX](#))(NYSE:GOLD) has notably lagged markets this year, losing almost 32%. The fall was well expected as last year's financial growth faded this year. Barrick Gold reported a 5% decline in revenues and a 15% earnings growth year-over-year in the latest reported quarter.

Barrick plans to report its third-quarter earnings on November 4. It remains to be seen if the quarterly numbers break ABX's long-term underperformance streak. However, a gloomy outlook for gold and

unstable [financial growth](#) could continue to weigh on investor sentiment.

Copper prices have been riding high this year and could support Barrick Gold's numbers to some extent. However, copper forms a relatively smaller portion of its consolidated revenues.

A relatively smaller miner **B2Gold** ([TSX:BTO](#))([NYSEMKT:BTG](#)) [reported](#) its third-quarter earnings this week. It reported a net income of \$134.8 million for the quarter that ended on September 30, 2021. That was a big drop from an income of \$277 million in the same period last year.

Amid higher production in the last nine months, B2Gold increased its annual production guidance for 2021. The company now sees its production at 1.01 to 1.05 million ounces this year.

BTO stock has shown a handsome up move recently, gaining more than 20% in a month. However, it has lost almost 40% for the last 12 months, underperforming the industry average.

## Bottom line

Barrick Gold and B2Gold both have strong asset bases and balance sheets, which make a strong case for [long-term investors](#). However, BTO stock seems attractive from the valuation standpoint compared to ABX. Also, it pays a stable yield of nearly 4%, one of the highest among gold miners. It is trading at a substantial discount against the peers' average and thus, indicates huge growth potential in case the yellow metal rallies.

### CATEGORY

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

### TICKERS GLOBAL

1. NYSE:B (Barrick Mining)
2. NYSEMKT:BTG (B2Gold Corp.)
3. TSX:ABX (Barrick Mining)
4. TSX:BTO (B2Gold Corp.)

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