



2 Top Gold Stocks I'm Looking at Right Now

Description

In today's current market, [finding value](#) isn't easy. However, gold miners present what I view as a very compelling investment argument right now. Accordingly, I've found myself looking at top Canadian gold stocks more and more in recent months.

Indeed, for value investors, there aren't many high-quality options available today. Outside of beaten-up sectors like gold, there are few opportunities to pick up companies trading at reasonable valuations compared to their earnings or cash flows.

Here are two of my top picks for investors seeking high-quality gold stocks right now.

Top gold stocks: Equinox Gold

One of the top gold stocks I've been watching for some time is **Equinox Gold** ([TSX:EQX](#))(NYSE:EQX). Indeed, perhaps it's a good thing I've only been watching this stock. Since the height of the bull market in gold last summer, shares of EQX stock have dipped nearly 50% to current levels.

However, for long-term investors seeking a top stock in the gold mining space, I think Equinox is certainly an option worth considering.

Besides having stellar gold reserves and excellent margins, this company is extremely efficient in generating cash flow. Equinox has been increasing its production at an accelerated rate. That said, its shares are trading at a discount today. At the time of writing, this stock has a [valuation multiple](#) of roughly five times earnings. This has been a result of the relative underperformance of this company's shares coupled with stronger, more robust earnings.

Accordingly, as far as value goes, Equinox remains a top pick of mine in the gold sector. The company's total gold production is expected to hit 200,000 ounces next year. And with Equinox's focus on mining-friendly jurisdictions, there's little risk or downside to these cash flows right now.

Thus, I think this is a stock that's simply been beaten down too far. This could be the value pick of the

ages for long-term investors.

Agnico Eagle

Another top value pick I like right now in among the plethora of Canadian gold stocks is **Agnico Eagle** ([TSX:AEM](#))([NYSE:AEM](#)). The main reason why I've started looking at Agnico of late is due to the company's announced acquisition of **Kirkland Lake Gold** (TSX:KL)(NYSE:KL).

I'm very bullish on Kirkland Lake — for good reason. I think the price tag Agnico has paid to acquire Kirkland Lake's assets is dirt cheap. Accordingly, I view the combined company as one with a valuation that's simply too hard to ignore.

In essence, Agnico Eagle will become one of the largest gold miners on the market, with an attractive mix of high-grade mining assets and low-grade, high-volume mines. This provides for the ability to raise production in times when gold prices are high, or reduce production and focus on higher-grade production in a lower-price environment.

Right now, I think Agnico Eagle is a “sweet spot” investment for those with a long-term investment time horizon. Accordingly, this stock is one I'm looking closely at right now.

CATEGORY

1. Investing
2. Metals and Mining Stocks

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2. NYSEMKT:EQX (Equinox Gold Corp.)
3. TSX:AEM (Agnico Eagle Mines Limited)
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