



Gold Stocks: The Rally Investors Have Been Waiting For?

Description

When the pandemic first hit, gold and gold stocks were some of the first assets to recover and rally massively. Gold had already been on the rise, but the pandemic lifted the yellow metal to a new level.

There's no doubt that the yellow metal got a significant boost from the pandemic. However, the major rally in gold prices actually started a year earlier. From 2013 to 2018, gold prices traded rangebound.

By 2019, though, you could make the argument that gold prices had become undervalued, and sure enough, they started to rally significantly. Then as the pandemic hit, gold prices continued to grow higher.

But ever since last summer, as it was clear that companies were finding new ways to grow in the current environment, investors figured there were far more opportunities with recovery companies or businesses growing as a result of the pandemic, such as those in e-commerce.

So naturally, gold stocks fell out of favour, despite gold prices remaining at these new higher levels.

So as these gold stocks have fallen all year and inflation has started to pick up, the catalysts for gold stocks to rally have only been growing.

Now, over the last six weeks, gold prices have only started to rise by about 5%, but these stocks are gaining significantly. So if you're still underweight gold and want to gain exposure before these stocks rally any further, here are two of the best to buy today.

One of the cheapest gold stocks to buy today

If you're looking for a high-quality gold stock to buy now, **B2Gold** ([TSX:BTO](#))([NYSEMKT:BTG](#)) is one of the best opportunities that investors have.

The company is an excellent operator, with low-cost production and consistent growth in the volume it produces each year. B2Gold is an excellent gold stock to buy and hold long-term, especially because

it's such a low-risk investment.

Not only do gold stocks tend to benefit from pullbacks in markets, but it's extremely profitable, especially with gold prices so high. Furthermore, the company has little debt and a net cash position and now pays a tonne of its earnings back to shareholders.

Over the last month, as gold prices have started to rebound, though, B2Gold has gained almost 15%. So if you're looking to buy this ultra-cheap stock, you'll want to act soon.

Currently, it trades at a forward price to earnings ratio of just 9.2 times. Plus, it still offers a dividend that yields upwards of 3.6%. I would act soon, though. In this market environment, gold stocks may only continue to get more expensive.

A high-quality growth stock

Another great investment to consider is **Equinox Gold** ([TSX:EQX](#))([NYSEMKT:EQX](#)). Equinox is one of the top growth stocks to buy in the [gold industry](#).

The company commenced production only a few years ago and is already producing roughly half a million ounces a year. Furthermore, it expects to grow that production to more than one million ounces a year by 2024.

This is intriguing for investors because Equinox is one of the fastest-growing stocks at a time when gold prices have gained significantly. So not only will it see more income per ounce when prices rise, as will all of its peers, but it's also rapidly increasing the number of ounces it has for sale.

This makes Equinox one of the best gold stocks to buy now, and recently, like B2Gold, Equinox has been rallying. Over the last six weeks, the [growth stock](#) has gained almost 30%.

Even if gold prices don't continue to rally, it will continue to expand its operations. But should gold prices continue to tick higher, Equinox will surely see a major increase in its profitability.

Gold stocks can play an important role in investors' portfolios, especially in this environment. So if you're looking to gain exposure to the precious metal, especially as prices rise, these are two of the best stocks to buy today.

CATEGORY

1. Metals and Mining Stocks

TICKERS GLOBAL

1. NYSEMKT:BTG (B2Gold Corp.)
2. NYSEMKT:EQX (Equinox Gold Corp.)
3. TSX:BTO (B2Gold Corp.)
4. TSX:EQX (Equinox Gold Corp.)

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