



The 2 Best Bargain Gold Stocks to Buy Now

Description

Gold and silver have long been inflation hedges and safe havens. Precious metal stocks often move in different directions than the market. A new bull trend may just be starting with gold stocks because of rising interest rates.

Jaime Carrasco, portfolio manager at **Canaccord Genuity**, shared his [market outlook](#) on precious metals yesterday on *BNN*. He advises clients to hold some asset allocation in precious metals in preparation for rising inflation resulting from central bank policy.

“Currently, the producers and royalty companies offer a great entry point because while gold is at US\$1,800, their valuations are trading as though gold is much lower, which means that investors that are willing to buy right and sit are acquiring historically low price to cash flow assets that will quickly accelerate as the price of gold begins to price in true inflation.”

Jaime Carrasco

There's value in gold and silver stocks, which is why investors are jumping back in with many precious metal stocks rallying.

Kinross Gold stock

One of Carrasco's top picks, **Kinross Gold** ([TSX:K](#))([NYSE:KGC](#)), climbed almost 8% yesterday.

“We have it as a buy and an \$11 price target. For older people looking to buy one company, this would be a great one to hold for better gold and silver prices.”

Jaime Carrasco

In December 2021, Kinross announced the acquisition of Great Bear Resources for US\$1.4 billion. Management believes the transaction brings a flagship project in prolific Red Lake mining district in

Ontario that “has the potential to become a top tier deposit that could support a large, long-life mine complex and bolster Kinross’ long-term production outlook.”

Kinross is paying for the acquisition with cash (of up to 75% of the transaction) and Kinross shares (up to 40%). The cash portion can be funded with its existing liquidity, which stood at US\$2.1 billion (including cash of US\$586 million) as of September 30, 2021.

11 analysts have a 12-month price target of \$12.43 on the gold stock for 68% near-term upside potential from \$7.41 at writing. Notably, Kinross Gold also yields 2%, which is a nice compensation for investors patiently waiting for price appreciation. Interested investors should mark their calendars. The gold stock is scheduled to report its 2021 Q4 and full-year results and 2022 guidance on February 16.

Barrick Gold stock

Barrick Gold ([TSX:ABX](#))(NYSE:GOLD) is a [bargain](#) large-cap gold stock. So, it wasn’t at all surprising when it rallied 8.5% yesterday. At the end of Q3, the company reported US\$5 billion of cash on its balance sheet, which was 52% higher than at the end of 2019. The company appears to be in a stronger financial position.

15 analysts have a 12-month price target of \$32.86 on the gold stock for 30% near-term upside potential from \$25.22 at writing. Naturally, the large-cap gold producer has a smaller discount than mid-cap Kinross. Interested investors should mark their calendars. The gold stock is scheduled to report its Q4 2021 results on February 16. It already shared its preliminary results, which include the production of 4.4 million ounces of gold in 2021. That’s a decline of about 7% versus its 2020 production.

CATEGORY

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2. Metals and Mining Stocks

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2. NYSE:KGC (Kinross Gold Corporation)
3. TSX:ABX (Barrick Mining)
4. TSX:K (Kinross Gold Corporation)

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