



Why Did Equinox Gold Stock Soar 9% Yesterday?

Description

Equinox Gold ([TSX:EQX](#))(NYSE:EQX) was founded in 2007, and its headquarters are in Vancouver, British Columbia. The gold producer achieved its guidance with 602,100 ounces of gold produced in 2021.

What happened?

Equinox Gold stock soared 9% yesterday. A similar rally is seen across many other precious metal stocks, including **SilverCrest Metals** and **New Gold**.

Here are some of Jaime Carrasco's [expert opinions](#) from yesterday on the gold and silver stock rally. He's a portfolio manager at **Canaccord Genuity**.

"In preparation for rising inflation resulting from central bank policy, I continue to advise that clients hold some asset allocation in precious metals... 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

So what?

The gold producer is led by Ross Beaty as the chairman; he is an experienced geologist and resource company entrepreneur. Equinox Gold is one of the only gold producers of scale operating entirely in the Americas, which are relatively stable geographies to operate. The consensus across 12 analysts implies a 12-month upside potential of 54% from \$9.25 per share at writing.

Now what?

Gold prices are anticipated to increase from higher inflation. Equinox Gold has seven producing mines and five growth projects. So, the mid-cap gold producer can benefit from production growth and higher commodity prices. Currently, it aims to produce one million ounces of gold annually.

In Q4, it started constructing the Greenstone project in Ontario and made significant progress in constructing Santa Luz in Brazil, which together will add 340,000 ounces of production when completed. It wouldn't be farfetched for [Equinox Gold stock](#) to surpass its 2020 high of \$17 for a multi-year price target as it grows its production.

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2. Metals and Mining Stocks

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Date

2025/07/22

Date Created

2022/01/20

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