



Massive Buyback Boosts This Top Canadian Gold Miner

Description

Gold has long been considered a safe haven during market turmoil. With uncertainty gripping the markets of late, many investors may be looking for a way to play gold. Whether it's via bouillon, an ETF, or a top gold miner, there are a number of ways to play the rally in gold.

For those looking for greater leverage to gold prices, one top gold miner that's on my list right now is **Barrick Gold** ([TSX:ABX](#))(NYSE:GOLD). Let's dive into why Barrick could be a great choice for long-term investors looking to hedge their portfolios right now.

Quarterly earnings grow: Announcement of a \$1 billion buyback

One of the biggest signs of strength we've seen with Barrick of late is the company's big announcement that it will be buying back \$1 billion of its shares. This announcement sent shares of Barrick surging 5% in a single day a little more than a week ago.

There's reason for this.

Obviously, such a significant buyback program reduces the number of outstanding shares. For existing shareholders, this means a greater share of the company's future cash flows. [Dividend](#) increases become easier for the company and less costly. And this is a clear sign of strength shown by Barrick, as it implies the company has more money than it knows what to do with.

Indeed, Barrick's recent strong earnings led to this announced buyback. The company brought in earnings that more than doubled over the previous quarter, hitting \$726 million. In short, Barrick is a company that's printing cash right now. And with gold around [US\\$1,900 per ounce](#), expectations are that there is a lot of upside left with this gold miner.

Bull case strengthens for this top gold miner

Back to Barrick's earnings, there are a few noteworthy elements to point out.

Besides very strong earnings numbers, Barrick also announced full-year annual production of around 4.4 million ounces in 2021. This production was carried out at an all-in sustaining cost of \$1,026 per ounce. Thus, at these levels, Barrick's net margins are approaching 50%. For investors considering the idea that gold could have more room to run, these are exciting times.

Inflationary pressures did provide some hiccups for Barrick. The company noted that a challenging operating environment took hold this past quarter. However, surging commodity prices (both for gold and copper) boosted this company's top- and bottom-line performance.

Bottom line

Overall, I remain a big bull on Barrick. This top gold miner is a company with great fundamentals right now and an impressive forward outlook.

For those bullish on where gold might be headed, Barrick is a great way to play rising gold prices. Given inflationary concerns as well as market uncertainty, this is a top stock to look at right now.

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Date

2025/07/21

Date Created

2022/02/25

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