



3 Undervalued Gold Stocks to Buy Today

Description

The spot price of gold was trading just below the US\$1,930/ounce mark as of close on April 6. In early March, the yellow metal had climbed back [above US\\$2,000 per ounce](#) for the first time since it broke records in the middle of 2020. Today, I want to discuss why investors may want to target gold stocks in the early part of this spring.

Here's why Canadian investors should snatch up gold equities right now

All the way back in March 2019, I'd [discussed whether the yield curve inversion](#) was the signal investors needed to pile into gold stocks. The United States Treasury market has been flashing similar warning signals in recent weeks. Moreover, markets are [very shaky](#), as North American central banks press forward with rate tightening. Some experts and analysts predict that interest rates hikes could lead to a significant correction. Canadian investors may want to target gold stocks in this environment.

These gold stocks are dirt cheap in early April

Equinox Gold ([TSX:EQX](#))(NYSE:EQX) is the first gold stock I'd look to snag in this climate. This Vancouver-based company is engaged in the operation, acquisition, exploration, and development of mineral properties. Its shares have climbed 15% in 2022 as of close on April 6. The stock is still down 4.1% from the previous year.

The company released its fourth-quarter and full-year 2021 results on February 24, 2022. Equinox delivered production growth of 26% compared to the prior year. Meanwhile, it was able to achieve its 2021 guidance as it produced 602,110 ounces of gold. Revenue rose to \$1.08 billion — up from \$845 million in 2020.

Shares of this gold stock still possess a very attractive price-to-earnings (P/E) ratio of 4.9.

Torex Gold ([TSX:TXG](#)) is a Toronto-based intermediate gold producer. Shares of this gold stock have jumped 11% in the year-to-date period. The stock is still down 12% from the same time in 2021.

Investors got to see its final batch of 2021 earnings on February 23. The company posted record annual gold production of 468,203 ounces. Better yet, it also achieved record total gold sales with an average realized gold price of US\$1,794 per ounce. Adjusted EBITDA rose to \$490 million compared to \$431 million in 2020.

This gold stock last had a super favourable P/E ratio of 6.6.

One more gold stock to snag today

Lundin Gold ([TSX:LUG](#)) is the last gold stock I'd look to snatch up right now. Its shares have dropped 1% so far this year. The stock is down 3.2% from 2021.

The company released its Q4 and full-year 2021 earnings on February 23. Net revenues for the full year rose to \$733 million compared to \$358 million in the prior year. Meanwhile, adjusted EBITDA more than doubled to \$436 million. Better yet, adjusted net earnings also more than doubled to \$248 million, or \$1.07 per share.

Shares of this gold stock possess an attractive P/E ratio of 8.7. Investors who are eager to bet on gold as markets are showing instability should look to scoop up these undervalued options.

CATEGORY

1. Investing
2. Metals and Mining Stocks

TICKERS GLOBAL

1. NYSEMKT:EQX (Equinox Gold Corp.)
2. TSX:EQX (Equinox Gold Corp.)
3. TSX:LUG (Lundin Gold Inc.)
4. TSX:TXG (Torex Gold Resources Inc.)

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