



Endeavour Mining PLC (TSX:EDV): Is it a Buy Right Now?

Description

The **S&P/TSX Composite Index** was on a tear for much of 2022 until the last few weeks. The Canadian benchmark index has finally started showing signs of wear due to the persistent inflationary environment plaguing Canada. Canada's inflation rates jumped from 5.7% in February to 6.7% in March 2022.

The benchmark index nosedived by 5.71% between April 19 and April 29, 2022, representing the sharpest decline in its performance this year. The [bear market](#) condition in the Canadian equity market is alarming. Many investors are worried about where they could invest their capital and protect it from the effects of inflation.

Commodities are a popular asset class for investors seeking reliable hedges against inflationary environments. Gold, silver, and other commodities perform well when equity markets underperform. Companies with business operations that rely on the price of various commodities enjoy greater profit margins during such environments, allowing them to deliver superior returns to investors.

One such company has recently announced its third-quarter earnings report for fiscal 2022. Today, I will discuss the gold stock to help you determine whether it could be a good buy for your investment portfolio right now.

Endeavour Mining

Endeavour Mining PLC (TSX:EDV) is a \$7.81 billion market capitalization multinational mining company that [owns and operates gold mines](#) in Côte d'Ivoire, Burkina Faso, and Mali. Endeavour Mining, along with its subsidiaries, operates as a major gold mining company in West Africa, and it owns several mining operations in the region.

The company released its earnings results for its third-quarter performance in fiscal 2022 on March 17, 2022. The rise of uncertainty in stock markets and more cash flowing into commodities in recent months has been beneficial for the company's financial performance.

It reported \$0.73 per share in earnings, beating market analyst consensus by \$0.07 per share. Endeavour Mining generated \$878.74 million in revenues during the quarter, falling below the consensus estimate of \$899.35 million.

Many market experts and analysts have given the company a “buy” rating based on its performance. The company has also recently announced a semi-annual dividend, which it paid its shareholders on March 16, 2022. Endeavour Mining stock trades for \$31.44 per share at writing, and its valuation currently reflects a 2.27% dividend yield.

Foolish takeaway

Gold's spot price per ounce stands at US\$1,885.30 at writing. The sudden downturn in stock markets could lead to more money flowing out of stock markets and into [commodities](#) like safe-haven assets, increasing their value. Buying gold bullion could be a viable method to protect your investment capital from the impact of rising inflation and market downturns.

However, investing in equity securities that tend to perform well due to rising gold prices could be a more liquid way to enjoy returns from a strong performance by gold. You do not have to deal with the hassles of buying gold bullion while enjoying superior returns without making your capital exit the stock market.

Endeavour Mining PLC stock could be an excellent way to hedge against inflation due to its exposure to gold prices.

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1. Investing
2. Metals and Mining Stocks

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Date

2025/10/01

Date Created

2022/05/06

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