



Why I'm More Excited Than Ever About B2Gold Stock in November 2022

Description

2022 has been a rough year for stocks in many industries, and gold stocks have experienced some of the most significant impacts. Companies like **B2Gold** ([TSX:BTO](#)) have seen their stock prices plummet this year as interest rates have increased substantially.

Over the long haul, gold can actually be a great hedge against inflation. However, when inflation surges and interest rates are increased to cool the economy, this can have a negative impact on gold stocks, which is what we've seen this year.

Why? Because as interest rates rise, investments that provide yields and return cash to investors become much more attractive. Therefore, an investment in gold bullion, which provides no yield, becomes less attractive and gold prices fall.

With interest rates continuing to rise and the uncertain economic environment continuing to persist, why am I more excited than ever about B2Gold stock?

B2Gold stock is ultra-cheap

One of the main reasons I'm so excited about B2Gold stock is that it's now trading ultra-cheap in this environment. Of course, as gold prices fall, gold stocks follow suit. However, what B2Gold has going for it, and what should excite investors, is that it incurs some of the lowest costs to produce gold in the world, making it an attractive [long-term investment](#).

Through lower production costs, B2Gold has better margins than many of its competitors. Even in this environment, when gold prices have fallen substantially, it's still profitable and can continue to earn strong free cash flow.

Plus, because of these impressive margins, B2Gold pays one of the most attractive dividends in this space, which currently offers investors a [yield](#) of more than 5%. So, although investing in gold directly doesn't offer a yield, investors can still gain exposure to this safe-haven asset while also earning an impressive dividend yield.

B2Gold is expecting a record performance in the fourth quarter

Another reason why I'm so excited about owning B2Gold stock in this environment is that it's one of the best gold producers out there. It's well managed and is on the verge of a record performance in the fourth quarter.

B2Gold experienced higher-than-normal rain at its largest mine, Fekola, in the third quarter, which hindered it from producing more gold. However, management reminded investors why B2Gold is one of the best stocks in this space by demonstrating its flexibility and shifting its production to lower grades for the time being.

As we approach the fourth quarter, B2Gold expects record results from Fekola. So far, for the year, the company has produced just 630,000 ounces. Yet according to guidance, which it just reaffirmed with its third quarter results, B2Gold stock expects to produce at least 950,000 ounces this year, which would result in a record quarter for B2Gold.

Interest rates could soon reach peak levels

Though B2Gold stock is now ultra-cheap, and still looks impressive from an operational standpoint, for the stock to start rallying, it's going to need a significant catalyst. And considering that interest rates are the number one factor impacting stocks across the board, especially gold stocks, these companies could soon start to see a rally in their share price.

After all, interest rates must be increased to cool down inflation. However, these rates are negatively impacting every aspect of our economy from mortgage and consumer debt to companies trying to refinance. As soon as inflation shows signs of slowing, interest rate increases should also slow down significantly which could provide a catalyst for many stocks, especially for gold producers like B2Gold stock.

So, if you're an investor looking for a bargain or to increase your exposure to gold while these stocks are ultra-cheap and out of favour, I'd suggest B2Gold stock, one of the top gold producers that you can buy today and hold for years to come.

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