

Barrick

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Barrick Corp is Jefferies top gold pick

Barrick Gold Corp (TSX:ABX NYSE:ABX) is US broker Jefferies' top pick in the North American gold sector for its ongoing debt reduction, asset quality, and low costs.

While the broker concedes that Barrick shares will ultimately move with the gold price, it believes several 'self-help' measures should boost investment returns and the share price.

Over the past two years debt has shrunk by US\$5bn. The aim now is to reduce borrowings by a further US\$3bn to US\$5bn and eventually eliminate it completely.

The mothballed Pascua-Lama development in South America, meanwhile, could potentially boost Barrick's production significantly over the next few years through the new phased approach recently proposed by the company.

Jefferies also sees some help from the gold price.

Since Donald Trump's November US presidential election victory the spot price for the metal has dropped by around US\$90 per oz.

The broker lowered its forecast for the gold price at the start of 2017 but expects a recovery through the year and further out a price of around US\$1,300 per ounce to stick.

Price: C\$22.5

Market Cap: C\$39419.59M

1 Year Share Price Graph



Share Information

Code: ABX

Listing: TSX

52 week High Low
C\$22.84 C\$12.54

Sector: General Mining - Gold

Website: www.barrick.com

Company Synopsis:

On 1 January 2019 a new Barrick was born out of the merger between Barrick Gold Corporation and Randgold Resources. Shares in the new company trade on the NYSE (GOLD) and the TSX (ABX).

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