Gold miner undersea 2 player hacked

Bret JensenWasi that gold does not bly; not all who wander are lost; an old man who is strong does not wither; deep roots are not achieved by frost.. — J.R.R. TolkienOne of the unsung stories of the past few months is the resurgence of gold prices. An ounce of gold rose from a low of about $1,200 in mid-November to more than $1,300 currently writing. This is quite a significant jump in a relatively short period of time. There are several reasons why gold may be on the move higher. At least part of this may be due to the amount of general uncertainty we've seen this year - with a lot of unresolved issues left on the macro level. But perhaps more importantly, the Fed's commitment to keeping interest rates low could lead investors to believe inflation will figure out at any time now. Since gold is considered a decent hedge against inflation, this could be a big part of why the rally occurred. (Gold is actually better at hedging against deflation than inflation, but overall, uncertainty about future currency levels leads to more demand for gold).) Along with gold itself, gold-growers have also benefited from renewed interest in precious metals. The VanEck Vectors Gold-Coded ETF (NYSE: GDX) is a widely popular method for investing in gold-coders. Etf invests in the largest gold miners trading in the U.S. and Canada. About 60% of the fund's holdings are invested in the top 10 names in the industry. GDX trades nearly 50 million shares a day on average - making it one of the most heavily traded ETFs. It also averages about 85,000 option contracts per day. Very few other ETFs or promotions can beat that average. Gold miners have the advantage of tracking gold, but also produce a revenue stream. This makes them a little more enjoyable for many investors compared to the commodity itself. Not to mention that the GDX even offers dividends, something gold bars can never do. A fund or well-capitalized trader has just rolled out 10,000 GDX calls for May, suggesting that gold-cleaners could be at a big rally over the next 3 months. The trading itself was the purchase of GDX on May 17, 22 calls for $1.22 with stock trading at $22.15 per share. On 10,000 contracts, this means the trader spent a $1.2 million premium, which is obviously a strong commitment to the GDX upside down. That's because the premium is the maximum loss potential on trade, so if the GDX is under $22 on a May expiration date, the calls will cost zero. Such upside-down confidence by the GDX also suggests that gold-payers and gold-payers are going to maintain the profits they've seen over the past month or so. Of course, the call buyer is looking for more than just sideways traffic. For each dollar above break point of $23.22, trading pulls in a $1.2 million profit. If you are bulls on gold-making, you can do the same trade. Or if you want to Money and make a similar trade, you can turn trade into a spread challenge instead. With GDX trading at around $22, May 22-24 call traded for about $0.70.That reduces the break point to $22.70, and the maximum loss to $0.70 per spread. You max the gain capped at $24 or higher in the stock, which is $1.30 after accounting for the value of the spread. However, that's 186% of potential gains for relatively low-cost trading, which covers the next three months. For those who want to put simple options strategies in their investor tools to boost revenue and mitigate risk (which I highly recommend in a volatile biotech space), you can pick up a free report called 10 simple rules for trading options like Pro from our friends on Investors Alley. It's now available for free through downloadHERE Randgold Resources (GOLD) - Get Report GOLD setting up the upward triangle triggers a buying signal if shares can break through $95.Yamana Gold (AUY) - Get the Yamana report looks lower in the long run; The $3.65 is the breakout level to watch out for. McEwen Mining Inc. (MUX) - Get a Buy dive report into MUX. Newmont Mining Corp. (NEM) - Get Report Newmont is forming a long-term reversal installation. It's a buy on the go through $38.Read More:Gold Rush: These Four GoldDoers Are Ready to Hack Above This article was written by an employee of TheStreet. Source: mining companies with operations mainly in Africa tend to trade at a significant discount for comparable companies operating in North America. As Americans, we read headlines about unsafe working conditions, underpay workers, political uprisings, civil wars and other red flags that will lead us to conclude that we should not invest in African mining companies. The fact is that Africa is a vast continent with all sorts of different nations, political systems and geography, and it is counterproductive to bring all African mining companies together. However, a look at the valuations of these companies tells us that many Western investors are guided by such an undifetered investment approach. As a result, savvy investors can make money if they are willing to make an effort to understand which African mines are at high risk and which are low risk. Typically, there are two questions that investors have to ask and answer when determining whether an African mine is low risk or not. First, is a mine a surface mine or an underground mine? Second, is the mine in a politically stable region? Surface mines, unlike underground mines, make much safer working conditions. When we read about worker strikes and unsafe working conditions, this is often associated with deep underground gold and platinum mines in South Africa. Workers there are edifying deep underground, where they can potentially be injured, and where they are proving to breathe large numbers of kits. Surface mines, on the other hand, tend to be much safer for the workers involved. Their work consists in queue from operating giant bulldozers and transporting ore to a milling and oil refinery. These machine machines highly effective abilities and their operators command surprisingly high salaries; while there are dangers, they are minimal and similar to working on a construction site. Therefore, concerned investors must first limit their volume for companies that own and operate surface mines in Africa. Investors should also relate to the political stability of the region in which the mine is located. It is not as easy to solve a region as to differentiate between a surface mine and an underground mine, as the distinction is more open to interpretation. Generally, investors should look for areas in Africa where stable and consistent mining has been going on for a long time without any major problems. West Africa was such a region, and companies that have operations in Mali, Senegal, Burkina Faso and Ghana should be relatively safe compared to companies operating in South Africa or Tanzania. There are several companies that meet both criteria. My favorite is Asanko Gold (NYSE MKT:AKG), which owns the Esaase mine in Ghana. The company recently placed an application to acquire PMI Gold (PMVGF. PC), which owns a large nearby mine called Zotan. The combined company will have $280 million in cash. That's enough to develop the Esaase project, which will produce 200,000 ounces annually by 2015 (180,000 attribution ounces, as Ghana's government owns 10 percent of mine production). In addition, cash flow from Esaase can be used to develop Obotan, which will add 200,000 ounces of production by 2017. As an unloved African miner, shares only trade hair over cash Asanko has on its balance sheet, making it an excellent risk/reward offer. Investors should also consider Semafo (SEMFF. PK), which owns a huge project called Mana in Burkina Faso. Semafo had a rough time after peaking in 2010 at $12 per share, although the stock rebounded from just over $1 per share in June to get the maximum that today. The shares are going well despite the company's Mana project losing money. It recently shed two non-core assets, and it added more than 1 million ounces of gold resources to Mana; these actions have lifted investor confidence. While mining about 150,000 ounces of gold does not justify the company's estimate of $900 million, the Mana property has great exploration potential, being more than 2,000 square kilometers. If you have shares, you bet not only on the price of gold but on the success of exploration in Mana, and given the size of the property and management track record, it's a good bet to make. Finally, investors should consider Teranga Gold (TGCDF. PK), which owns a mining ore plant and a large land stake called Sabodala in Senegal. Teranga has the potential to bring production at Sabodala to more than 250,000 ounces annually, up from about 150,000, following its recent takeover of Oromin Explorations. However, it has a low valuation of just $187 million. It's extremely inexpensive that the company had just received $150 million from Franco-Nevada (NYSE:FNV) in exchange for a 6 percent net smelting return of royalties on sabodala's property. This cash will give the company the means by which to finance its expansion. Given the low valuation, I believe its share price could soar even if the gold price from here modestly rises. These companies depress share prices, but excellent properties that are or will be profitable. Their properties are located in relatively stable parts of Africa and have surface mines. With this, I believe that these companies, along with their peers who meet the above criteria, are excellent opposite ways to gain exposure to the gold market. Disclosure: I have Shares of Asanko Gold. Don't miss: Is everyone wrong about gold and silver? Silver?