

(BFW) Randgold Raised to Overweight at Morgan Stanley as Risks Recede

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2012-09-26 08:17:24.920 GMT

By Tim Barwell

Sept. 26 (Bloomberg) -- Randgold has one of the strongest growth pipelines, is capable of delivering volume growth above current expectations, Morgan Stanley says in note.

- * Morgan Stanley: Randgold should post 15% volume compound annual growth rate through 2015 vs industry avg. 1.3% 2005-2011

- * Production challenges at the Loulo underground mine have receded given the progress realized in reaching the mine's high-grade zone

- * Randgold's Loulo mine will see its grades rise and unit costs decline from to \$619/oz in 2013 vs \$952/oz in 2011

- * African Barrick Gold cut to equalweight vs overweight as has few options to grow volumes, cut costs

- * Overweight maintained on Russian producers Polyus Gold, Polymetal; AngloGold, Goldfields (Overweight) preferred over Harmony (Underweight) among South Africa-listed producers

- * NOTE (Sept. 24): Precious, Base Metals to Outperform Bulks Over Next 6 Mos.: Citi

- * NOTE (Sept. 21): Precious Metals to Be Supported by QE, Deutsche Bank Says

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