



## Buy These Bargain Stocks to Combat Any Future Crisis Situation

### Description

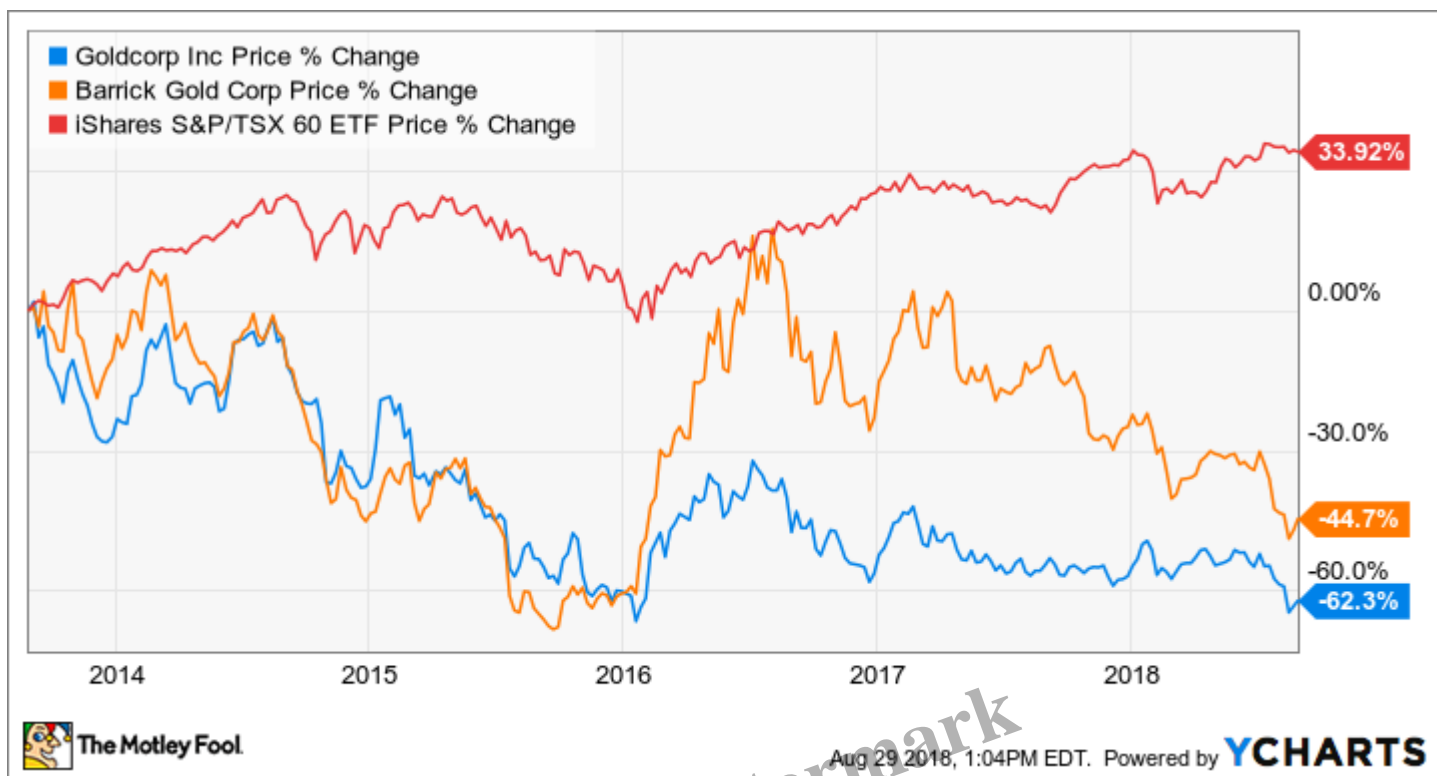
The North American stock markets have been roaring. Saying **Barrick Gold** ([TSX:ABX](#))(NYSE:ABX) and **Goldcorp** (TSX:G)(NYSE:GG) have been laggards is an understatement. The gold-mining stocks have underperformed substantially for a number of years.

If we roll back to 2008/2009 when we had a financial crisis, you'll notice that in late October 2008, the shiny metal stocks bottomed and had a nice upward trend for about three years.

From a bottom of about \$27.50 per share, Barrick Gold stock appreciated approximately 76% to about \$48.50 per share. Similarly, Goldcorp stock climbed about 122% from roughly \$22.50 to \$50 per share.

Since 2008/2009, we haven't seen any crisis situation for the market to flock to gold. Moreover, U.S. dollars remain relatively strong against the Canadian currency. So, the bull for gold miners has gone into hiding, but you can be sure that it'll be back when a crisis occurs.

So, now is the time to buy the stocks of Barrick Gold or Goldcorp after they've been dominated by the bear for nearly seven years — before the next crisis hits.



GG data by YCharts – Barrick Gold and Goldcorp have been laggards for multiple years.

### They are trading at dirt-cheap levels but...

As of writing, Barrick Gold stock is trading at about \$13.80 per share, which is roughly half of its low in the last crisis, while Goldcorp stock is trading at about \$14.40 per share, which is about 36% lower. These are dirt-cheap levels!

That said, the gold price has gone down from a high of +US\$1,700 per ounce from 2011/2012 to the current levels of about US\$1,200 per ounce. So, these gold miners likely won't turn around until something, such as the next crisis, hits. And no one knows when this something will occur.



### Which of the gold miners should you buy?

Between the two, Goldcorp seems to be a better-run company. It is awarded an S&P credit rating of BBB+, which is a notch higher than Barrick Gold's BBB rating. Moreover, Goldcorp's recent net margin is 8.5% while Barrick Gold's is -4.1%.

Furthermore, the analyst consensus from **Thomson Reuters** thinks Goldcorp is more undervalued, giving it a 12-month target of US\$18.20 per share, which represents +60% near-term upside potential from current levels. The analyst consensus has a 12-month target of US\$14.30 per share on Barrick Gold, which implies +30% near-term upside potential.

### Investor takeaway

Gold prices should eventually increase. It's just a matter of when. Meanwhile, large gold miners, such as Barrick Gold and Goldcorp, are trading at dirt-cheap levels — much cheaper than during their lows in the last crisis.

Therefore, now is a good time to [pick up some shares as protection for your portfolio](#) to combat any future [crisis situation](#).

### CATEGORY

1. Dividend Stocks
2. Investing
3. Metals and Mining Stocks

### TICKERS GLOBAL

1. NYSE:B (Barrick Mining)
2. TSX:ABX (Barrick Mining)

### PARTNER-FEEDS

1. Msn
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