



Alert: 2 Stocks to Hold in a Volatile Market

Description

The S&P/TSX Composite Index bounced back into positive territory in late morning trading on January 10 after starting the day down roughly 50 points. Indexes in Canada and the United States have bounced back nicely in early 2019, but fears over a slowdown in global growth should keep investors on their toes throughout the year.

Concerns over falling global growth have been felt strongly in Europe and China. Chinese government data showed the biggest decline in the growth rate of retail sales in 15 years last month, while the industrial growth rate fell to a three-year low. Germany, Europe's largest and most important economy, is also struggling with low growth. France's private sector fell into contraction for the first time since 2016, and Eurozone business growth closed 2018 at a four-year low.

The "sugar rush" from U.S. tax reform is wearing off south of the border. Analysts and economists are expecting a low-growth environment to take hold in the United States in 2019 and 2020. In Canada, the struggles of the oil patch are weighing on the overall economy. "Here in Canada, lower oil prices have reached the point where they will have material consequences for our macroeconomic outlook," Bank of Canada governor Stephen Poloz said recently.

Today, we are going to look at two stocks to hold on to, even as market volatility has subsided in January.

Barrick Gold ([TSX:ABX](#))(NYSE:GOLD)

Barrick Gold was my [top stock pick](#) for January. Shares had climbed 12% over the past three months as of late-morning trading on January 10, but the stock has dipped double digits in January so far. Still, momentum for the yellow metal is impossible to ignore and makes Barrick Gold an appealing hold for the remainder of the year.

The spot price of gold is nearing the \$1,300 mark for the first time since mid-2018. Barrick Gold recently completed its acquisition of Randgold Resources to become the largest gold producer in the world. Higher prices will be a huge boost to its revenue and margins going forward. Volatility has

historically boosted the safe haven for decades, but what should also be of interest to gold bulls is the renewed dovish outlook on interest rates in 2019.

Hydro One ([TSX:H](#))

Hydro One stock had increased 1.8% in 2019 as of late-morning trading on January 10. Shares were up 6.3% over the past three months. Hydro One was slapped with disappointment in December as U.S. regulators blocked its acquisition of **Avista Corp.** However, the stock reacted positively to the news. Last month, I'd discussed why this development may help [Hydro One re-orient](#) in the near term.

Hydro One is expected to release its fourth-quarter results in early February. For investors on the hunt for stability Hydro One offers a wide economic boat as it holds a monopoly in the most populous Canadian province. The stock last paid out a quarterly dividend of \$0.23 per share. This represents an attractive 4.4% yield.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:B (Barrick Mining)
2. TSX:ABX (Barrick Mining)
3. TSX:H (Hydro One Limited)

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Author

aocallaghan

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