



Is This Tech Stock a Golden Opportunity?

Description

In the last few weeks, uncertainty has pushed gold up above US\$1,300. The fact that gold has been increasing in value shows why it can be important for investors to have a holding in the yellow metal. Besides [investing](#) in physical gold, people have traditionally had only a few choices for gold investment. There are the gold miners, gold certificates, exchange-traded funds, and royalty streaming companies.

It is about time that someone moved gold investing onto a platform that is more suitable for the internet age. **Goldmoney** ([TSX:XAU](#)) allows investors to invest in precious metals in a way that makes sense to people. This company bridges the gap between precious metal investing and financial technology.

Goldmoney's premise is based on the fact that gold has served as a medium of exchange for investors for hundreds of years. The company provides a way to invest in gold and use it for everyday purchases.

When you invest in gold through Goldmoney, you are buying physical gold. The gold is held at one of the company's many locations around the world. Investors can choose to store their gold at a vault in Toronto, Hong Kong, and many other locations. If you prefer, you can make arrangements to get your gold from a vault or have it shipped to you at your home. It also offers prepaid **MasterCards**, which are backed by gold stored in your vault account. Goldmoney also possesses and sells crypto assets, although it reduced its holdings significantly in 2018.

In addition to its core business, Goldmoney has full and partial ownership of other services as well. The company has a 33% ownership of **MENE**, a crafter and retailer of custom jewelry. It has full ownership of Schiff Gold, a U.S.-based precious metal dealer with direct-to-customer delivery. It also has a 23% interest in U.K.-based Lend & Borrow trust, a peer-to-peer lending and borrowing business where transactions are backed by precious metals. Goldmoney generates 3.55-5.05% a year on the lent funds.

But is the business model profitable? While I am rooting for the company as a payment system, investors need to look deeper into Goldmoney to see if it makes sense as a business. The results are encouraging. In the third quarter of 2019, the company posted a 21% increase in *quarter-over-quarter revenue*. It also posted record net income of \$0.37 a share, a 601% increase over the previous year, although much of this income came from MENE when it became publicly listed on the TSX.

Goldmoney is a financial company that operates as a gold-backed institution and a financial technology firm. If you believe in the viability and importance of gold as an ultimate form of currency, this company should be in your portfolio. It is still in the early stages, but the results are promising so far. This is not a low-risk investment and it does not pay a dividend, so only investors who have a tolerance for risk and want exposure to precious metals should invest in this company.

CATEGORY

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

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Date

2025/07/26

Date Created

2019/02/16

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