Steal This Brexit Investment Idea: It Might Make You Rich

Description

From electric vehicles to insecurity about recession to a novel spin on Brexit investment, there's a lot to be said for getting into precious metals. Let's break down the stats for several of the best gold stocks before heading over to two tech-centric plays for a capital gains investor.

Brexit investors should be going for gold

With a temporary reprieve from Brexit, the British economy is still chugging along; Canadian gold has been a key import, meanwhile, and should continue to be in theory. Whether a second referendum keeps the U.K. in the Eurozone, or whether an eventually divorced Britain forges stronger international trade agreements, a resurgent economy across the pond could see a rise in popularity for Canadian gold stocks, if this logic holds.

With one-year returns of 16.2% that beat the Canadian metals and mining industry average, **Osisko Gold Royalties** (TSX:OR)(NYSE:OR) had no trouble seeing off a -5.1% average among its peers for the same period and remains a strong play. While its negative one- and five-year past earnings-growth rates don't speak to a strong recent track record, its balance sheet is good (see debt of 19.9% of net worth), and its P/B ratio is below market weight at 1.3 times book.

While **Goldcorp's** (TSX:G)(NYSE:GG) one-year past earnings rate has been negative, its five-year average growth of 23.8% puts it ahead of Osisko Gold Royalties in terms of a track record, though Goldcorp has seen a significant amount of inside selling over the last three months. Still, trading at book value with a 28% discount off its future cash flow valuation and looking forward to a 125.8% expected annual growth in earnings, it's a solid high-growth option.

Tech investors are digging the stats for this other metal

Palladium may sometimes get overlooked as an investment, but it's the fourth most precious metal after gold, silver, and platinum. Used in a range of tech-related capacities, palladium could beat copper as the most accessible high-growth metal investment in years to come. Indeed, with a 27% increase in revenue compared to 2018, global e-sports is a billion-dollar industry alone and could drive palladium prices higher.

Down 1.18% in the last five days, **North American Palladium** (TSX:PDL) is a slight value opportunity at present. Its P/E of 6.1 times earnings and P/B of 1.3 times book are attractively low, while year-on-year returns of 16.2% show solid capital gains can be had; meanwhile, a 22% past-year ROE indicates high quality.

Investors concerned about risk should note that North American Palladium has been proactive about cleaning up its balance sheet, and its level of debt compared to net worth has been reduced over the past five years from 107.6% to just 8.9% today. A 4.2% expected annual growth in earnings is low, though remains positive and is subject to revision.

The bottom line

With tech looking set to outride any potential widespread market downturn, it would seem that certain mining stocks have an assuredly positive few years ahead. Paying a dividend yield of 1.36%, and with a 43.5% expected annual growth in earnings on the way, Osisko Gold Royalties is one of the strongest buys in the gold space, while North American Palladium is a strong play for a sometimes overlooked metal on the TSX index.

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