



2 Gold Stocks to Help Your RRSP Weather the Storm

Description

It's always difficult when we have to watch our portfolios experience declines and a loss of value. But if you are well diversified, you are somewhat sheltered from the storm, because a well-diversified portfolio of holdings is designed to do just that.

With the markets becoming increasingly jittery and seeing continued downward pressure, gold stocks are a good place to park your money for calm in the storm. Protect your RRSP portfolio by adding gold stocks.

Because [gold stocks](#) are necessary for proper portfolio diversification, as gold exposure acts as a safe haven in difficult economic times and moves counter to many of the other sectors.

Without further ado, here are two gold stocks that are well positioned to be your safe haven, thereby preserving the value in your [RRSP](#) portfolio.

Agnico-Eagle Mines ([TSX:AEM](#))([NYSE:AEM](#))

With the lowest-risk profile of the group, this \$13 billion company has the well-deserved reputation of being a best-in-class operator with a strong future.

In this increasingly jittery market, the company's assets that are in low-risk, politically safe areas such as northwestern Quebec, northern Mexico, Finland, and Nunavut, and exploration activities in Canada, Europe, Latin America and the United States, are a big selling point for stock.

And this quality gold company has been a consistent top performer, with solid operational performance and an industry-leading cost structure, and this has driven consistently better-than-expected results.

Kirkland Lake Gold ([TSX:KL](#))([NYSE:KL](#))

Kirkland Lake Gold stock has been the star of the gold sector, returning 520% since the beginning of

2017, 27% year to date, and still going strong.

And Kirkland's first-quarter 2019 results showed investors why. Results were above expectations and guidance was increased.

Compared to the first quarter of 2018, production increased 57% to 231,879 ounces, operating cash flow increased 95%, and free cash flow increased 85% to \$93.1 million.

And with mines in Canada and Australia, Kirkland also represents a lower-risk way to play the gold space.

While the dividend is nothing to write home about, it was increased by approximately 34% recently, and the dividend yield is now 0.5%. This is a testament to management's confidence in the company and its future.

The balance sheet remains healthy, with a cash balance of \$416.1 million — 25% higher after this record-breaking first quarter.

In summary, Kirkland Lake Gold is a high-quality stock that has shown operational excellence and that can be expected to continue to see strong production growth, decreasing costs, and a rising dividend.

Final thoughts

The gold sector is a good bet in a market under pressure. Add these gold stocks for a safe haven that provides downside protection.

CATEGORY

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

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