



Looking for a Safe Haven? Protect Yourself From a Recession With This Top Gold Stock

Description

As markets trade down, we are reminded of the fragility of the economy and our portfolios.

But there's no need to worry. Let's stay level-headed, leave emotion and fear to the side, and focus on uncovering the stocks we need to own in an increasingly uncertain and shaky market.

Without further ado, let's take a look at **Agnico-Eagle Mines** ([TSX:AEM](#))([NYSE:AEM](#)), a gold stock that I think is a must-own in today's changing environment that is presenting us with many challenges and rising recession risks, such as increasing trade tensions, shaky global [economic growth](#), a heavily indebted consumer, and a shaky housing market.

A safe haven

One company that has consistency and reliability in its corner, Agnico has paid out a [dividend](#) since 1983 and continues to report better-than-expected results.

Agnico stock is pretty much flat relative to early 2017, and this comes as no surprise since the market has been focused on higher-risk, higher-growth stocks. But, in this period, Agnico has provided shareholders with a growing dividend and has a three-year compound annual growth rate of its dividend of 16%.

Currently, the annual dividend stands at \$0.50 for a dividend yield of 1.21%. It's not very high, but it's reliable and well covered, which means a lot, especially in an increasingly uncertain environment.

Agnico has one of the lowest-risk political profiles in its peer group, stemming from the fact that its gold mines are in politically safe areas such as northwestern Quebec, northern Mexico, Finland, and Nunavut, and exploration activities in Canada, Europe, Latin America, and the United States.

Again, this means a lot, especially in today's uncertain and shaky environment.

So, while we have not heard much in the news about this company, management has been quietly working on reducing costs and strengthening its balance sheet, which leaves it well positioned to reap the rewards of rising gold prices; prices may very well be heading higher as the U.S. dollar is at risk of losing ground.

In late 2011, gold prices peaked at close to \$1,900 per ounce, then retreated steadily to levels of just over \$1,000 per ounce at the end of 2015. The price of gold is currently at approximately \$1,280 per ounce.

Final thoughts

Agnico has driven solid operational performance and an industry-leading cost structure, and this has driven consistently better-than-expected results. We can expect this stock to outperform, as investors flock to gold and gold stocks for a safe haven.

CATEGORY

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

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