



Top Canadian Gold Stocks for the Careful Investor

Description

The **TSX** is awash with gold stocks, but separating the solid gold tickers from the fairy gold that turns into dead leaves overnight is far from a simple task. That's why we've picked out the following three Canadian gold stocks for the careful investor. Featuring a range of defensive qualities mixed with growth and value for money, these are today's best picks for a new precious metals portfolio.

Newmont Goldcorp ([TSX:NGT](#))([NYSE:NEM](#))

A solid track record and exemplary balance sheet make this [newly merged stock](#) a must-see for any new precious metals investor looking for a defensive stock in an uncertain economic climate. Up 8.91% in the last five days at the time of writing, Newmont Goldcorp is finding favour with investors seeking safety.

While a trailing 12-month P/E of 82.4 times earnings and P/B of 1.8 times book suggest overvaluation (especially in terms of earnings), a dividend yield of 1.62% combined with a solid an estimated three-year earnings growth rate of 40.4% comprise the main selling points for this gold stock, making this a strong choice for long-term passive income.

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

It's a bold gold stock that lists simply as "GOLD" on one of the world's biggest stock exchanges. But that's far from the only indicator that Barrick Gold is a serious contender for a spot in your new [gold stock portfolio](#). Outperforming the Canadian mining industry with one-year returns of 5.6% beating a negative average, Barrick Gold is one of the most stable metals investments available on the TSX.

An estimated growth rate of 25% over the next three years makes this stock suitable for a portfolio in need of growth as well as defensive qualities, while investors who insist on a healthy balance sheet should be pleased to note that Barrick Gold has brought its debt within the "safe" zone below 40% over the last five years. A moderate dividend yield of 1.21% rounds out the reasons to get invested.

Eldorado Gold ([TSX:ELD](#))([NYSE:EGO](#))

While a very low P/B in combination with a surging share price might sometimes be a cause for concern, a look at the data shows that Eldorado Gold has got it where it counts. Up 16.26% in the last five days, Eldorado Gold continued to surge ahead this week, still riding high on positive Q1 results that reported output growth spread across a number of international operations, including Brazil, Canada, Greece, Romania, Serbia, and Turkey.

With a high estimated earnings growth rate over the next three years of 102.9%, Eldorado Gold is today's choice for the capital gains investor willing to take risks who is looking for growth rather than long-term dividends. Despite carrying less than 20% debt, a less-than-perfect balance sheet does mean that this stock carries a higher risk than the previous two tickers, however.

The bottom line

Investors looking to add gold stocks to a low-risk portfolio may want to consider the stocks in the order they were listed above. Newmont Goldcorp comes with excellent credentials, and is arguably one of the lowest risk investments in this space, with Barrick Gold coming in as a solid close second for the wary income investor.

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1. Dividend Stocks
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TICKERS GLOBAL

1. NYSE:B (Barrick Mining)
2. NYSE:EGO (Eldorado Gold Corporation)
3. NYSE:NEM (Newmont Mining Corporation)
4. TSX:ABX (Barrick Mining)
5. TSX:ELD (Eldorado Gold Corporation)
6. TSX:NGT (Newmont Mining Corporation)

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