



Gold Prices Are Climbing: Here Are 2 Ways to Profit

Description

In times of instability, you might be thinking about increasing your position in gold investments. While gold is no longer used as a primary form of currency, it is still considered an important part of the economy.

The value of the precious metal has increased significantly over the past few years and this trend is not likely to change.

For the past three months, the value of gold has seen constant gains. Trading at a six-year high, the price of gold is likely to increase even further.

This is in part due to the uncertainties surrounding the dovish monetary policies and risk assets. Another factor that has attributed to this trend is the U.S. Federal Reserve's recent announcement to cut interest rates.

Gold price per ounce stood at US\$1,200 at the beginning of the year and rallied to US\$1,300 during April, which started the upward momentum. With the price of gold at the time of this writing at US\$1,489.33, it is likely to go past the US\$1,500 mark in the coming few months.

Times like this present the best opportunity to profit from the rising value of gold. So what are some ways to increase your gold holdings?

Two ways to profit from a rising gold price

Amid signs of a looming recession, the U.S.-China trade war and the increasing price of gold, there are two companies to keep a close eye on: **Kirkland Lake Gold** (TSX:KL)(NYSE:KL) and **Barrick Gold** ([TSX:ABX](#))(NYSE:GOLD).

Kirkland Lake

The increasing price of gold has resulted in a solid performance from Kirkland Lake as its gold production has shot up 30% from the beginning of the year to over 214,000 ounces.

More important than the increase in production is the fact that the all-in sustaining costs fell by 16% as compared to last year, which makes the company one of the lowest-cost gold producers in the industry.

The main take away from this is the considerable profitability in its operations, in a market where [gold could reach USD\\$1,500](#) or higher by the end of the year.

Barrick Gold

Before the Newmont-Goldcorp merger, Barrick Gold was the largest producer of gold in the world. Despite losing its top status, more than 90% of the revenue for the company still comes from the precious yellow metal, which is as close to a pure play in gold mining that you can get among major companies.

With the expectation that the gold price will touch greater heights, the company has been focusing more on low-cost gold production through one of its most easily mined sites. This will, in turn, help to [improve its cash flow](#) and entail a significant impact on its strategy for the foreseeable future.

Final thoughts

Now seems like a very good time for you to invest in either or both Kirkland Lake Gold and Barrick Gold to profit from what could be a surge in gold prices.

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