



## 2 Stocks to Prepare for a Wild 2020

### Description

Trade battles, currency wars, and geopolitical unrest are just some of the issues investors should consider when positioning their portfolios for 2020.

Let's take a look at two stocks that might be attractive picks ahead of the potential volatility that could be par for the course in the coming year.

### Barrick Gold

**Barrick Gold** ([TSX:ABX](#))(NYSE:GOLD) has gone from being one of Canada's most despised stocks to a market darling — a trend could continue for the next few years.

Gold has staged a strong recovery in 2019 as investors seek out [safe havens](#) to protect capital. Global government debt is increasingly drifting into negative yields, making gold's zero-yield status quite appealing.

At the same time, governments worldwide are cutting interest rates in a bid to head off a potential global recession. The risk is that the trend could lead to a currency war where central banks try to push down the value of their currencies to support exports.

One way for holders of international currencies to protect against the plunge in buying power is to own gold, which is priced in U.S. dollars.

Long-term gold bulls have always said the world will eventually lose faith in fiat currencies. This is money that is backed by the government that prints it, rather than by an asset, which historically was gold.

Fiat currencies, such as the American dollar, Canadian dollar, Euro, etc. only have value if the market believes they have value.

If enough people or institutions start to bail on fiat currencies, gold could see a rally that would have

been unimaginable just a year ago.

Gold miners tend to enjoy more upside torque when the price of gold rises. Barrick Gold is the planet's second-largest company by production and stands to benefit significantly from rising gold prices. The stock has enjoyed a strong rally in the past few months, but the party might be just beginning.

## **BCE**

BCE is Canada's largest communications company with world-class wire line and wireless infrastructure providing clients across the country with internet, TV, and mobile services.

In the event that the global economy gets turned on its head, BCE should hold up better than the broader market. Households and businesses are not going to cancel their mobile and internet services, and most people will give up a lot of other perks before cancelling their TV package.

At the same time, BCE stands to benefit from falling interest rates and plunging bond yields. The stock becomes more attractive to income investors who are seeking safe [yield](#) and the company enjoys lower borrowing costs, which should free up more cash for distributions.

The stock is trading near its 12-month high at writing, but still offers a 5% yield.

## **The bottom line**

We have no idea what 2020 will bring, but it makes sense for investors to start positioning their portfolios to leverage the current trends in the market.

At this point in time, Barrick Gold and BCE appear to be attractive picks heading into what could be a wild year.

### **CATEGORY**

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

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2. NYSE:BCE (BCE Inc.)
3. TSX:ABX (Barrick Mining)
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