



How Much Gold Should You Buy for the Looming Recession?

Description

The most widely anticipated recession is looming over our heads. With the fears of an economic downturn increasing, investors are looking for ways to secure their financial future.

Most investors want to make their investment portfolios recession-proof. The dollar, yen, euro, and pound can drastically lose their value when things go downhill. While fiat currencies have historically failed to keep investors afloat during times of economic crisis, the asset gold does not fall in value during a recession. Unlike fiat currencies, gold has an inherent value and performs well during a recession.

Gold is a scarce resource that can keep up with inflation

An issue with fiat currencies is that you can always mint more. Regardless of how much a dollar inflates, gold will always keep pace with inflation. I will tell you why: there is only a limited amount of gold in the world.

If you think about the long run, fiat currencies like the British pound can never become scarce, because the government can always print more to satisfy changing needs. Gold, however, is a stable asset to invest in due to its scarcity.

Gold might reach record heights

The precious yellow metal showed bullish signs throughout the year. At the time of writing, the price of gold is US\$1,496.98 per ounce, but it is firmly within the US\$1,500 region. This price seemed like it was an impossible price point for gold for the past several years, and yet here we are.

With the global economic uncertainty unlikely to ease up as 2019 comes to an end, you have almost the perfect mixture for a recession and the rising price of gold. The current situation is as good a time as any to take advantage of the gold rush and consider investing in stocks like **Kirkland Gold** (TSX:KL)(NYSE:KL)

How much should you invest in gold?

By now, you understand that it is crucial to invest in gold to improve your portfolio's resistance to a recession. The only question is, how much should you invest?

For those wondering about going all-in and investing their money in gold bullion, I will firmly advise you to reconsider your decision. Why buy gold when you can purchase shares of a company extracting them?

Consider this: with the looming recession, people are going to look towards gold and its perceived value to see them through the recession. The demand for this metal will only increase, and so will the [price](#). A more viable way to get in on the gold rush is to consider companies like Kirkland Lake.

The company is a young gold mining company that has been booming over the past several years. Since 2016, Kirkland is up well over 2,000% of its value. At the same time, the company is still not overly expensive, considering the P/E ratio is at 27.20.

Kirkland is ramping up the production volume of gold, decreasing the cost per ounce and increasing earnings every day.

I think that [Kirkland](#) is not just a high-growth potential stock; it is also a very safe option to support you through the upcoming recession. Of course, I make no guarantees about the increasing value of gold and the subsequent stocks. This is a strong opinion based on what we have already seen during the previous economic recessions.

Make sure to keep the percentage less than 10% of your investment portfolio if you choose to invest in gold companies like Kirkland.

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