



Gold and Weed: 2 Growth Stocks to Buy Now

Description

If you think about the typical kinds of stocks to buy and hold, what usually springs to mind is a mix of big names in energy, a few utilities, the Big Five banks, certain infrastructure-related dividend payers, and the more defensive REITs. However, two other stocks may be worth adding to a list of long-range investments in greatness — though they might not be what you'd think. From Big Weed to Big Gold, here are two top TSX tickers.

A top play for a stabilized marijuana market

The high couldn't last forever, but then, it never does. The pre-legalization cannabis bubble burst some time ago, though with the multi-billion-dollar market yet to stabilize there's still plenty of upside potential in the green stuff. However, it's become a stock-picker's market, with strict discernment required. Since the sector is prone to crashing *en masse* while a few stocks soar, [the trick lies in picking the outperformers](#).

The cannabis market has already seen its first major correction, a staggered, downward lurch that started with legalization and worsened with the summer's disastrous **CannTrust** debacle. But it's this bottoming out of the market that makes **Canopy Growth** a somewhat safer buy right now. Gone is much of the immediate momentum once enamoured of pot stock aficionados, but gone too are the high prices that made the stock a far riskier play this time last year.

It might be fair to say that the cannabis bubble effectively burst when recreational cannabis was finally legalized to much fanfare but with few fireworks last October. While the upside may now be slower coming in the fledgling sector than it was during 2018's high-momentum pot stock boom, the plus side is that big names like Canopy Growth are arguably safer investments for buyers looking for long positions.

A leader in the new generation of “Big Gold” stocks

Along with **Newmont Goldcorp**, **Barrick Gold** is one of the new breed of mega-miners formed by

major deals and mergers recently. Barrick has the edge over Newmont Goldcorp in a number of areas. Depending on the indicators one goes by, the former has the sturdier balance sheet of the two, with strong three-month returns that outpace the sector by 15.7% to 6.3%.

Further, Barrick has [stronger positive momentum](#) than Newmont Goldcorp and is up by 6.54% this week compared to the latter stock's gain of 2.29% for the same period. Still, the performance of both stocks fits the narrative of gold trending higher in step with oil, strengthening the case for getting invested ahead of a potential bull run on the precious metal driven by a market grown increasingly shy of risk.

The bottom line

The Canadian cannabis market has already seen its first major correction, and that's what makes previously too-expensive weed stocks such as Canopy Growth a better buy for long-term investors right now. Meanwhile, Barrick Gold is still popular with punters and pundits alike, and could see some steady growth adding long-term value to a stock portfolio built around defensive high-quality assets.

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