



Scared of a Recession? Buy Gold Right Now

Description

Gold plays an essential role in the investment universe. The commodity has gained respect and retained great value over a thousand years. Owning gold is a good hedge against inflation. If a recession scares you, you can reduce the overall volatility and risk by including gold stocks in your portfolio.

Demand for gold is growing among investors. Many are starting to see the benefit of allocating capital to purchase gold stocks with strong upside potentials.

B2Gold ([TSX:BTO](#))(NYSE:BTG) and **Lundin Gold** ([TSX:LUG](#)) are two of the promising gold stocks on the **TSX** today. The shares are cheaper than physically owning gold, but the [growth potentials are superb](#), especially in times of recession.

Catalysts for growth

B2Gold is a \$4.37 billion company that produces gold. It has five operating mines located in Africa (Mali and Namibia), Central America (Nicaragua), and Asia (Philippines). The company also has exploration assets and development projects in other countries.

The stock is also the cheapest in the sector, and the current price of \$4.31 is a good entry point. B2Gold has been consistently achieving record production levels year after year. In 2020, B2Gold expects gold production to reach 1.095 million ounces, or nearly 15% up versus the level in 2018.

Operations in all the mines are in full swing, which would bring significant increases in free cash flow and serve as a big catalyst for growth. Market analysts are unanimously recommending a buy rating because the opportunity for explosive growth is present.

Future potential

Lundin is not a heavy producer of gold like B2Gold. However, its future potential and [returns are incredible](#)

. This \$1.72 billion company is operating as a mining company in Canada with interests in 30 mining concessions in Southeast Ecuador.

The company is presently building the Fruta del Norte mine. Once complete, it would be the biggest mine in Ecuador and among the highest-grade gold projects in the world. Lundin expects production to commence by the end of this year.

Australia's Newcrest Mining and one of the world's largest gold producers is financing the \$250 million gold project. There are six concessions within Fruta del Norte, which covers an area of approximately 5,039 hectares.

Lundin is on track to finish the project on time. As of July 2019, Fruta del Norte is 73% complete. The mine, which has a 15-year reserve life, can produce over 325,000 ounces of gold annually.

Exposure to gold

Gold is the money of kings. While prices can be volatile at times in the short term, the commodity can maintain its value over time. But during a recession, gold prices usually rise.

For this reason, B2Gold and Lundin are worth considering. You have the opportunity to gain exposure to the most precious metal in the world without physical ownership.

You can follow smart investors who diversify and create a well-balanced portfolio that includes a small percentage of gold exposure. You have everything to gain and nothing to lose when top-listed gold stocks like B2Gold and Lundin rise to the occasion.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSEMKT:BTG (B2Gold Corp.)
2. TSX:BTO (B2Gold Corp.)
3. TSX:LUG (Lundin Gold Inc.)

PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
5. Yahoo CA

Category

1. Investing

Date

2025/08/24

Date Created

2019/10/15

Author

cliew

default watermark

default watermark