



Which Top Gold Stock Should Investors Buy Today?

Description

While the markets are somewhat flat at the moment, some key gold stocks are making positive movements heading into the weekend. Both **Barrick Gold** ([TSX:ABX](#))(NYSE:GOLD) and **Newmont Goldcorp** ([TSX:NGT](#))(NYSE:NEM) remained popular with pundits and investors alike this week. Let's take a look at what both precious metals miners have got going for them at the moment.

Why buy gold stocks anyway?

Gold is classically defensive, and there's an unusual amount of uncertainty facing investors right now. It's almost getting to the point where the U.S.-China trade war doesn't need to be mentioned, but its effects continue to be felt on a daily basis. The slightest hint of a breakthrough can buoy the markets, while any fresh setback sends investors [scrambling for precious metals](#).

There are other reasons to be concerned. The American political landscape is becoming increasingly unsteady, while the downturn in Asia's economic powerhouse could increase geopolitical tensions. Meanwhile, Europe is contending with the uncertainty of another Brexit extension and the warning rumbles of recession, while pipeline holdups and the threat of localized oil bottlenecks continue to haunt the energy sector.

A tale of two gold miners

Ramped up revenue growth rates and lowering costs put Barrick at the top of the heap when it comes to large-cap gold mining outfits. Its stock is among the best on the TSX for growth in the precious metals space and its sheer size combined with the quality of its assets and lower operating costs make it a solid long-term buy for added defensiveness in a portfolio.

Barrick has seen its profits rise as its output ratcheted up in its third quarter, bumping the stock up as the working week comes to a close. The mega-miner has raised its dividend thanks to rising gold prices, giving investors a strong play on [both income and growth](#) amid a fraught market. Gold has climbed 15% in the course of the last six months, with Barrick up 30% in the past year.

Newmont Goldcorp cut its forecast on revised productivity levels, meanwhile. Investors have reacted by nudging the miner's share price down a couple of percentage points. While earnings season is always a time of increased speculation, Newmont Goldcorp's miss, incurred in part through rising costs, is a slug in the guts for defensive investors facing a wide array of market stressors.

While mining stocks aren't necessarily known for their passive income properties, it should be noted that both Barrick and Newmont Goldcorp pay dividends. Barrick's yield just got bumped up to 1.18%, while Newmont Goldcorp's yield is around the 1.5% mark. However, if investors are buying gold stocks for their defensive qualities, they may expect both yields to narrow as market jitters drive up share prices.

The bottom line

Barrick and Newmont Goldcorp have gone in opposite directions this week, though the positive developments in the former stock should come as no surprise to gold bulls. Its mix of quality, growth, and passive income make for a solid addition to any portfolio, and a strong long-term pick for a TFSA or retirement savings plan.

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2. NYSE:NEM (Newmont Mining Corporation)
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