



## Stock Market Crash: Is There Any Escape?

### Description

It's a tale as old as the stock market itself. During a stock market crash, or really any type of disaster, there is one place where investors look to keep their money safe: gold.

Gold and now gold stocks have become a safe haven for investors looking to keep their finances from the ruins during times of market volatility. But this time, it could be a bit different. It's now not 100% clear that gold is the best place to hide after all.

### Before 2020: market fears

There are a few factors, but the main one – of course – is the COVID-19 pandemic. Leading up to the pandemic, people were already looking to gold stocks to hide out while the markets cooled off. After over a decade of solid growth, analysts knew a stock market crash was coming any time.

Tech and cannabis stocks moved the markets to incredible heights, and it looked like there really wasn't any bad investment.

Then, the first hiccup: the oil and gas glut. This glut has held on as Canada still must get its pipelines moving amidst environmental and social barriers that need to be solved before the pipelines can be built.

Meanwhile, other countries aren't playing ball with Canada. Russia and Saudi Arabia will not be cutting back on production — and may even be increasing it — which has sent Canada's oil prices to an even lower discounted price.

### After 2020: the stock market crash

So as the oil and gas crisis continued, and people became fearful of a stock market crash, Canadians started to move towards gold. Then, the COVID-19 pandemic.

Stock markets worldwide crashed, with investors not knowing whether they'd even be able to work the next day, never mind having enough funds to invest.

But there is a recent change that could move things for investors. The Canadian government recently passed a \$107-billion aid package for COVID-19 relief.

This is helping out both businesses and individuals put cash back in their pockets. That means it could be a great time to buy up a strong stock in an industry that historically has been strong even during a stock market crash.

## Newmont Gold

Should the market continue to be volatile, as it likely will, gold is still the [best option](#) to put your cash aside and wait out the stock market crash.

While the price of gold has already been mounting as market uncertainty increased, investors shouldn't think it will slow down any time soon. In fact, analysts believe we could see the price of gold reach \$4,000 per ounce in the next 10 years. That's an increase of 75% as of writing from its position of \$2,290 per ounce.

If you decide to invest in gold, I would certainly consider **Newmont Goldcorp.** ([TSX:NGT](#))([NYSE:NEM](#)). Newmont's recent acquisition of Goldcorp for \$10 billion put it over the edge to become the world's largest gold miner, with a foot in nine countries as of writing.

Newmont is already ahead of its peers in the industry, as it's certainly [outperforming](#) the **S&P/TSX Composite** during this stock market crash. In fact, the stock is actually up from the beginning of the year!

After a very brief dip, the stock came right back up to trade around \$67 per share, an increase of about 60% since April 2019.

## Bottom line

While the company has suspended its 2020 view amidst the pandemic, when the mines start up again the company has a lot going for it. In a statement, management said, "Its long-term value proposition remains unchanged as Newmont continues to have the industry-leading gold mineral reserves of 95.7 million ounces."

To give you an idea of what that could look like, the company produced over 1.4 million of attributable gold ounces during the first quarter, and about 981,000 attributable gold ounces between the beginning of 2020 until February 29.

So if you're looking to invest some government cash during this stock market crash, I would seriously consider Newmont as a solid option of escape.

## CATEGORY

1. Coronavirus
2. Investing
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## **TICKERS GLOBAL**

1. NYSE:NEM (Newmont Mining Corporation)
2. TSX:NGT (Newmont Mining Corporation)

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