



This Top TSX Gold Stock Is a Great Long-Term Investment

Description

There is no question this economic environment is ideal for gold prices and, therefore, **TSX** gold stocks. However, some gold stocks are so strong, investors can buy the stocks knowing they are great long-term investments.

Gold is something investors should always have at least a small portion of their portfolio exposed to. And in times of uncertainty, when a safe-haven asset is demanded, that's when investors should be increasing their exposure to gold.

Today's environment is precisely that. The uncertainty in both financial markets and economies makes a safe-haven asset like gold one of the most attractive assets to be increasing exposure to.

TSX gold stocks today

The economic environment around the world has been dire since the coronavirus pandemic hit. With no vaccine and little knowledge of the deadly disease, governments had to act quickly to protect their countries, enacting measures that have decimated economies.

Then, to deal with the economic consequences, massive fiscal and monetary stimulus has taken place around the world.

While this stimulus was needed and warranted, it doesn't take away from the fact that central banks are printing money and governments are issuing new debt at unprecedented levels.

All of these conditions are creating the perfect storm for gold prices to rise. Some analysts even think that [gold could skyrocket](#) to \$3,000.

Gold prices have been gaining momentum going back to December of 2018. In those 17 months since, prices have increased roughly 40%, an extremely rapid pace for gold.

And when you consider that the environment today is even more favourable than it was in 2018 and

2019, increasing exposure to [gold investments](#) is a no-brainer.

Top TSX gold stock to buy

Any time the price of gold is rising significantly, gold stocks will see a major positive effect. Since December 2018, the **iShares S&P/TSX Global Gold Index ETF** is up roughly 100% and more than double the pace of gold.

One stock that makes up 20% of the fund is the massive gold producer **Barrick Gold** ([TSX:ABX](#))(NYSE:GOLD).

Barrick, a \$60 billion company, is one of the world's largest gold producers and an investor favourite in the gold industry.

The company is one of the best in the business, and, with its massive global diversification, it's a stock you can hold for the long term.

In the first quarter, Barrick produced incredible results. The average realized gold price was \$1,589 — a 22% increase from the same quarter in 2019.

That increase in gold price drove a 30% increase in revenue and a roughly 50% increase in operating and net income.

And when you consider that the average realized price in the quarter is nearly 10% below where gold is today, it's clear this company is going to have a strong period of performance over the near term.

One of the reasons Barrick is so attractive today is the focus management has had on cutting costs and increasing shareholder value.

In the first quarter, the company produced nearly 1.25 million ounces and had all in sales costs of just \$950 an ounce.

So, it's no wonder why Barrick, the top TSX gold stock, is so profitable in the current environment and will continue to increase its profitability as gold prices rise.

Bottom line

Barrick's solid operations and high-quality management team makes it one of the top gold stocks on the TSX.

It even pays a dividend that yields more than 1%. While this isn't going to make or break your investment, it demonstrates management's willingness to return capital to shareholders.

If you are underweight gold or need some resiliency in your portfolio, I would seriously consider adding a position in Barrick Gold today.

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