



## Investing \$5,000 in Gold Stocks Is a Smart Move This Summer

### Description

In the fall of 2019, I'd suggested that [gold had the chance to reach \\$2,000](#) over the next year. At the time, this was based on a tenuous geopolitical situation as well as economic uncertainty that seemed to guarantee historically low interest rates for the foreseeable future. Because of this, I'd recommended that investors should look to stack gold stocks heading into 2020.

Today, I want to discuss why gold has climbed higher this year. Moreover, the bull run for the yellow metal may be far from over. Let's jump in.

### Why gold stocks have soared in 2020

Gold was already building serious momentum into this year. However, the COVID-19 pandemic has been the catalyst for a surge to seven-year highs. It has also triggered a historic economic crisis that has pushed many investors to seek out safe havens. In late February, just as North America was bracing to tackle the pandemic, I'd suggested that it would [fuel a further bull run](#) for gold stocks.

### Here's why the bull run is far from over

The factors that have led to the gold bull run have not dissipated. If anything, the tailwinds for gold have only intensified. The unemployment rate in the United States and Canada has climbed into the mid-teens percentage wise. Meanwhile, COVID-19 cases in the U.S. are experiencing another troubling uptick. Canada has pursued a gradual reopening, but policymakers are forecasting a slow and painful road to recovery.

In this environment, investors should not turn away from gold stocks. Below are three of my favourites to scoop up as the bull run for gold presses on.

### Three gold stocks to consider today

**Barrick Gold** is the second-largest gold producer in the world. Its shares have climbed 46% in 2020 as of close on June 24. The stock is up 65% year over year. Barrick released its first-quarter 2020 results on April 16.

Unsurprisingly, the company reported a strong first quarter due to high production and industry tailwinds. The average price for gold in Q1 2020 was \$1,583 per ounce. Gold's spot price has held steadily above \$1,600 since late February. At the time of this writing, it was priced just over \$1,770 per ounce. This is a great climate for Barrick and its peers.

Better yet, Barrick last possessed a price-to-earnings (P/E) ratio of 10 and a price-to-book (P/B) value of 2.1. This puts it in attractive value territory.

**B2Gold** stock has increased 40% in 2020 so far. Shares are up 82% from the prior year. In the first quarter, the company reported record quarterly gold production of 264,862 ounces. B2Gold also achieved record quarterly gold revenue of \$380 million — up 44% from the prior year. This gold stock also has a favourable P/E ratio of 16 and a P/B value of 2.7.

**Kinross Gold** is another Canadian gold stock that you should not sleep on. Its shares have climbed 48% in 2020 so far. The stock is up 75% year over year. In Q1 2020, Kinross saw net earnings nearly double from the prior year to \$122.7 million, or \$0.10 per share. Kinross stock last had an attractive P/E ratio of 10 and a P/B value of 1.6.

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aocallaghan

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