



## Buy TSX Gold Stocks Now Before it's Too Late

### Description

A lot has been going on in the last few months that has affected investors and their **TSX** stocks. And as much as the current environment is a combination of several factors, the biggest change has come from the coronavirus pandemic.

The coronavirus has changed almost every way that we live our lives, and the same is true with investing. Companies that were thought of as high quality are seeing huge impacts, and some are even succumbing to the market environment.

Furthermore, it isn't just businesses being impacted. Millions of people are still out of jobs and are unsure when or if they will ever go back.

This has created an extremely unprecedented economic environment that's forced central banks around the world to print trillions of dollars, just to try to momentarily stimulate the economy.

Interest rates have also been dropped to nearly zero, incentivizing people to spend their money rather than keep it in the bank.

### TSX gold stocks for protection

Investors can make significant money when buying TSX gold stocks at the right time; however, often the motivating factor is for portfolio protection.

Gold is a safe-haven asset, so often you'll see investors rush to it as fear and uncertainty rise. It's also a good hedge against inflation. In our current environment, with ultra-low interest rates and inflation holding strong, we are likely to see negative real rates.

This could be a big tailwind for TSX gold stocks, especially if inflation starts to tick up with all the government stimulus. Another factor to consider now is the rapidly rising coronavirus cases in the United States.

At the moment, the situation with [rising case counts in the U.S.](#) looks like it's worse than it was in March in April. This could result in a lot more trouble that may only be solved by a lot more government stimulus.

## Gold in the last recession

It's not unusual for [gold to sell-off](#) at the beginning of a market crash, as investors liquidate any and all assets.

However, eventually, as stimulus is added to the economy, gold starts to become a highly valuable option for investors.

We saw this in the last recession, when gold prices increased by more than 150% from its lows in 2008 until its peak in 2011.

A lot of gold's momentum came from quantitative easing and the massive increase in money supply during that time. Rapidly increasing money supply is something we are seeing again today, only on a much larger scale.

## A TSX gold stock to buy today

The top TSX gold stock I would recommend to investors today is **Kinross Gold** ([TSX:K](#))([NYSE:KGC](#)).

Kinross is an excellent TSX stock with significant promise. It has a consistent cost basis and is extremely well capitalized.

Kinross is a great gold stock to buy, especially as the price of gold is rising. The stock has been undervalued for years, so not only does it have room to grow in its current position, as gold continues to increase in price, Kinross's value will skyrocket.

In 2019, Kinross earned cash flow per share of roughly \$1.15. That, in comparison to its market price at Monday's close of \$9.62, gives Kinross a price to free cash flow of just 8.3 times.

Furthermore, the free cash flow it earned was on an average gold price of less than \$1,400. Today gold is trading above \$1,750, which will help give a significant boost to Kinross's earnings.

A lot of TSX gold stocks are in the same boat as Kinross. So, investors can expect gold industry earnings to continue to skyrocket, as gold prices continue to climb.

## Bottom line

TSX gold stocks can offer investors protection of their capital at the same time it offers huge upside exposure to the price of gold. And in our current situation, that's probably the best investment you can make today.

### CATEGORY

1. Coronavirus
2. Investing
3. Metals and Mining Stocks

## **TICKERS GLOBAL**

1. NYSE:KGC (Kinross Gold Corporation)
2. TSX:K (Kinross Gold Corporation)

## **PARTNER-FEEDS**

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