



## Gold Hits All-Time Highs! Buy These 2 Stocks Today

### Description

Gold hit an all-time high today for the first time since 2011. That is big news, albeit more for what it signals than the actual event. For a long time now, gold bugs have argued that gold would rise sharply in response to money printing from the American Federal Reserve. This event is now a reality due to unprecedented money printing.

What is amazing is the lack of coverage of this event. I did a quick search this morning, thinking I would find front-page coverage of the event. There was practically nothing on major American news outlets. Canada had a few side-notes and the occasional prominent front-page mention. But this is truly big news.

### The truth about gold

I suppose it is not that surprising that gold is not mentioned in many articles. Every economist and armchair financial reader realizes that rapidly increased supply generally decreases the value of goods or services if it is not matched or exceeded by demand. Money is not increasing in supply at levels rarely seen.

Gold is a good gauge of the money supply. Over the past few months, the American Federal Reserve has printed a huge amount of money. As much money, in fact, as it previously did over the course of years in the 2010s. Considering that the money printed over the course of the decade was already extreme, it puts the current money-printing machine into an insane perspective.

Remember, gold is not rising in price. Inflation is making each dollar worth less and its buying power weaker. Therefore, it takes more dollars to buy an ounce of gold than it did before. Gold is the traditional gauge of monetary devaluation and weakness. This attribute also shows why owning gold is important during periods of high inflation.

### How to own the metal

Right now, owning both physical gold and a gold-related company is the best way to gain exposure to the store of value. I like many gold companies, because there is still a long way for them to move. If

you want to have leveraged exposure to gold, maybe try some of the smaller royalty companies. I am beginning to move some money from the larger streamers to the smaller ones like **Sandstorm Gold** ([TSX:SSL](#))([NYSE:SAND](#)).

The company is listed in Canada and the United States, a fact which helps it gain access to institutional investors at home and internationally. It also has more leverage to precious metals prices, including gold, than larger royalty streamers. Furthermore, as a royalty streamer, it also has less operational risk [than a producer](#) may have.

Sandstorm is a growing company with about 24 assets currently in production and more in development. Over the next few years, the company expects to increase its production by more than 100% at the current rate. It receives its production income from a globally diversified portfolio of assets, although most are located on the North and South American continents. For me, that is a positive fact due to geopolitical stability.

## Dividends

Sandstorm does not pay a dividend. Although this might disappoint some investors, I think that you have to remember that dividends are not the most important factor to consider when buying commodity stocks. Excellent fundamentals drive capital gains, which is where most of the money is made in these stocks. However, as fellow Fool contributor Ryan [Vanzo recently mentioned](#), the company is returning capital to shareholders through share repurchases.

## The Foolish takeaway

Central bank money printing is painting a bright picture for precious metals. Gold hitting its all-time high drives that point home. It is prudent to invest in the sector to protect your money against higher inflation. You might not get a dividend, but putting some money into this smaller royalty streamer is a great way to generate outsized returns over the next several years.

### CATEGORY

1. Investing
2. Metals and Mining Stocks

### TICKERS GLOBAL

1. TSX:SSL (Sandstorm Gold Ltd.)

### PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Sharewise
6. Yahoo CA

**Category**

1. Investing
2. Metals and Mining Stocks

**Date**

2025/07/21

**Date Created**

2020/07/27

**Author**

krisknutson

default watermark

default watermark