



Market Crash: Why Gold Just Hit a Record

Description

Last September, I'd discussed why the spot price of [gold could hit \\$2,000](#) in 2020. At the time, I'd pointed to economic and geopolitical factors that were bullish for the yellow metal. Gold looked good coming into this year, but no one could have predicted the incredible events that have shaken the world in 2020. Are fears of a second market crash and a global recession pushing gold to new heights?

The spot price of gold climbed to a record over the weekend. Its price increased as much as 2.2% to \$1,944 per ounce in Asia trading on July 27.

Gold is soaring: Do investors expect a market crash?

Gold has gained significant momentum in recent weeks, as investors are digesting grim economic news in the United States. Several major U.S. states, including California, have pulled back on their reopening efforts in response to soaring COVID-19 cases. Meanwhile, major stocks have continued to move upward. There is concern that this diversion will lead to a market crash.

This environment has also resulted in a pullback for the U.S. dollar. The U.S. is expected to see its economy shrink by over 30% quarter over quarter, which would fulfill the requirements for a technical recession. It would be the first technical recession in the U.S. in over a decade.

Why you should keep buying gold and silver in 2020

Earlier this month, I'd explained why investors should continue to [snatch up gold and silver stocks](#). The sky is the limit for precious metals in this uncertain environment. Moreover, a weakening U.S. dollar will pile on even more momentum for these assets. Investors who are worried about a potential market crash should look to metals and mining stocks right now.

Three gold and silver stocks to hold in the event of a market crash

Kirkland Lake Gold has been a rock star in the Canadian gold space over the past decade. It consistently outperformed its peers over the course of the 2010s. Interestingly, its momentum has somewhat stalled in comparison to other miners in 2020. The stock has climbed 13% in 2020 so far.

Fortunately, this gold miner still boasts attractive value. This is good news for those looking for protection from a potential market crash. Shares of Kirkland Lake Gold possess a favourable price-to-earnings ratio of 16. The company also boasts a fantastic balance sheet.

Silvercorp Metals is a top Canadian silver miner. Its shares have surged 93% over the past three months as of close on July 24. The stock is up 140% year over year. Silvercorp has been a reliable producer over the past decade. Moreover, the company possesses an immaculate balance sheet. The spot price of silver has finally caught up to its heavy-hitting counterpart, and Silvercorp stock should continue to benefit.

Other top producers to keep your eyes on include **Yamana Gold**, **Fortuna Silver**, and **Kinross**. Gold and silver miners are reaping the rewards of this rush to safe havens. In the event of a market crash, the precious metals space offers a great hedge.

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Author

aocallaghan

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