



Why You Should Buy Gold Stocks Now

Description

If you have invested in gold, you have reasons to be happy, as the precious metal has gained about 30% this year. It should hit US\$2,000 very soon. The party is expected to go on for a long time, as [Bank of America predicts the yellow metal will hit US\\$3,000](#) an ounce over the next 18 months.

Fears about the economy are driving the yellow metal rally

Investors are pouring their money in the precious metal amid fears over the impact of the pandemic on the global economy and escalating tensions between the United States and China. Falling government bond yields and a weaker U.S. dollar are also pushing the yellow metal higher.

The gold rally means the economy is struggling, which is bad news for the **TSX**.

A slower recovery could halt the TSX rally, which has lost momentum in recent weeks.

The TSX has rallied on hopes that a vaccine will be available soon. *CNBC's* Jim Cramer says the rise in the bullion is a sign that a vaccine will fail and that central banks will continue to print money to support the economy during the crisis.

It's a good idea to have some exposure to gold

The TSX will need other catalysts to go higher. In the meantime, it's a good idea to buy some gold if you don't already have exposure to the precious metal. Indeed, the yellow metal is a store of value and a hedge against inflation. It's a [safe haven in times of market turmoil](#). But since buying physical gold isn't very convenient, you can get exposure in other ways.

Buying the **iShares S&P/TSX Global gold Index ETF** will give you instant diversification across the top gold mining companies at a cheap cost.

You can also get exposure to the precious metal by buying stocks of companies engaged in

exploration and mining.

If you're looking to have the most bang for your buck, **Barrick Gold**, **Kinross Gold**, and **Alacer Gold** are the best value gold stocks you can buy now. They each have a very low 12-month trailing P/E ratio.

Barrick Gold is a Canadian mining company primarily engaged in the production and sale of gold and copper. The company has operating mines and development projects in the United States, Canada, South America, Australia, and Africa. Barrick pays a small dividend of US\$0.07 per share for a yield close to 1%. The stock currently has a P/E of 11.8. Shares have soared almost 70% year to date.

Kinross Gold is a Canada-based mining company engaged in the exploration, development, and production of the yellow metal with properties in Canada, the United States, Russia, Brazil, Ecuador, Chile, Ghana, and Mauritania. The stock has a P/E of 13.2. Shares have almost doubled since the start of the year.

Alacer Gold is a gold producer engaged in the extraction, development, and exploration of mineral deposits in Turkey. The stock has a P/E of 13.6. Shares are up more than 50% year to date.

There are other great gold stocks, but be sure to do your research before investing in any company.

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