



Buy This 1 Gold Stock That Just Raised its Dividend

Description

Gold stocks continue to dominate the mid-pandemic stock markets. For a mix of momentum and safety, this asset class cannot be beaten amid high uncertainty and crushing market forces. In particular, **Centerra Gold** ([TSX:CG](#)) shot up 6% today, as investors woke up to its mix of growth and value. Its share price has now seen an outstanding 50% growth in the last three months.

This is still a strong play for wide margins, though. Selling at 74% of its fair value, Centerra is a steal, even with its recent share price boom. There's some solid growth ahead, too. Centerra is expected to see annual earnings growth of 62% over the next one to three years.

A spotless balance sheet makes for a strong play for investors [buying for a forever portfolio](#). A dividend yield of around the 1% mark adds some regular income to a buy signal based on a mix of other positive qualities. This is a solid play that ticks a lot of boxes. A P/B of 1.8 times book shows fairly good value for money compared with the sector.

Throw in good all-around health and reasonable growth potential, and Centerra looks appealing right now. Projected total returns could net around 150% in three years.

A top gold stock to buy on Q2 strength

Gold stocks have seen impressive returns during the pandemic, and Centerra is no exception. A 21% revenue boost marked a strong second quarter for this standout gold stock. So strong were its Q2 earnings that Centerra has hiked its quarterly dividend by 25%.

Gold looks set to continue its bull run in 2020. However, two major changes could see its record price tumble before the year is out. A vaccine breakthrough is likely to alter the market's appetite for risk. A Biden presidency could also put a dent in gold this year. Indeed, a move in any direction could hamper gold investors, with a market correction also capable of clipping momentum.

Indeed, momentum is a key concept in terms of gold investing this year. Gold has come to resemble cannabis stocks in their heyday, with investors piling into the biggest names. The trend has mirrored

the tech boom, which has seen some names rocket on pandemic fears. As such, this fear/greed dynamic is likely to be profoundly altered by any development in the battle against the coronavirus.

With prices nudging the US\$2,000 mark, gold has seen a remarkable run this year. Whether it continues or not will largely be determined by investors' sentiment towards risk. However, investors [betting on higher gold](#) for the rest of the year have plenty of stressors to consider. These range from the propensity for a second wave of coronavirus infections to ratcheting tensions between China and the U.S.

While gold could see a pullback, the case for a continuation of its 2020 bull run is arguably more compelling. Investors seeking a mix of value, dividend growth, and long-term safety have an especially strong play with Centerra.

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