



## Why Gold Slipped: 3 Best Gold Stocks to Buy Right Now

### Description

Gold has been a superb investment in the last couple of years. Since 2019, gold fund **SPDR Gold Trust** has appreciated about 47% even after the latest dip.

Yesterday, the gold spot price slipped 2%, SPDR Gold Trust fell 5%, and gold stocks fell even more. Here's to name a few:

- **Newmont** stock fell +7%
- **Barrick Gold** stock fell +8%
- **Franco-Nevada** stock dropped +6%
- **Kirkland Lake Gold** stock declined +6%

What seemed to have caused the selloff in gold prices was Russia's approval of a coronavirus vaccine. Perhaps people think that the vaccine will be a silver bullet solution to the COVID-19 pandemic.

Aside from ensuring the safe distribution of the vaccine (mass production is expected late this year), there's also the question of the effectiveness of the vaccine. Apparently, this vaccine hasn't completed a phase 3 trial.

According to [this article](#), a phase 3 trial typically "...involves tens of thousands of people and can take months ... [it] is the only way to prove if an experimental vaccine is safe and really works. By comparison, vaccines entering final-stage testing in the U.S. require studies of 30,000 people each."

Even though the effectiveness and side effects of this Russian vaccine are unknown at this point, it should be reassuring that scientists around the globe are also working on vaccines. The article noted that two vaccine candidates have already begun phase 3 trials in the U.S., with three more underway by fall.

For now, there's no way to tell whether Russian vaccine will be effective, as it has no phase 3 trial data to determine the effectiveness.

Investors booked profits on the first sign of weakness in gold. Although no one knows how long the

selloff will last and how deep it will go, the pullback is a good opportunity to explore an investment in the best gold stocks.

## The fundamentals for gold remains unchanged

The big picture for gold hasn't changed. Governments around the world have been pumping more money as ever into the system to keep the economy going, as much GDP has been destroyed by COVID-19 disruptions this year. Therefore, fiat currencies everywhere are worth much less than they were before.

All this should make gold more attractive. Some experts believe the [gold price can reach US\\$3,000](#) based on the amount of quantitative easing that's happening. If so, then, gold prices still have about 60% upside in this bull run.

And as we saw at the start of the article, gold stocks are leveraged to gold prices — the stocks fall harder when gold prices fall, but the opposite is also true.

With this backdrop in mind, interested investors should consider a position in Newmont, Barrick Gold, or Kirkland in this market selloff. These best gold stocks have the greatest upside potential of 21%, 21%, and 18%, respectively, over the next 12 months, according to the average analyst price target.

## The Foolish takeaway

The news of an approved Russian vaccine gave reason for some investors to take profit in gold stocks that have performed well over the last couple of years. Corrections like these are healthy for the continued rally in the gold stocks, as they give room for accumulation of strength.

Interested investors should take the opportunity to explore Newmont, Barrick Gold, or Kirkland as a potential buy on this dip, as the near future for gold still looks bright.

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