



3 Gold Stocks to Buy as the 2nd Wave Hits

Description

Gold stocks have always been a safe haven for investors. That is because gold is a precious metal that holds its value well, especially in bad times. Investors have always gravitated to this safe haven to preserve the value of their portfolio. This is what is happening in this pandemic.

As we head into the second wave of the pandemic, [we should consider bulking up on safe stocks](#). Without further ado, here are three gold stocks to buy for safety.

Agnico-Eagle: A gold stock with a rising dividend

Agnico-Eagle Mines ([TSX:AEM](#))([NYSE:AEM](#)) is one of the lowest-risk gold stocks to own today. Mining operations are located in politically safe areas such as North America, Europe, and Mexico. Agnico is a best-in-class operator that has achieved industry-leading costs. And this company maintains an exceptionally strong balance sheet.

Agnico-Eagle stock has risen 112% since March. This has been a reaction to the 29% rise in the price of gold as well as company-specific reasons. In 2020 and beyond, we can expect to see rising production levels and rising cash flows. This, in turn, will lead to dividend growth.

Agnico-Eagle is also using its strong financial position to expand through joint ventures. Newmont Corp. and Maple Grove Mines are two of the latest joint ventures that Agnico has entered.

Barrick Gold: The most recognizable gold stock

As one of the largest and most well-known gold stocks on the TSX, **Barrick Gold** ([TSX:ABX](#))([NYSE:GOLD](#)) is a proxy for the safe-haven trade. In fact, we can see this in action from the time the pandemic struck in March. At that time, Barrick Gold stock hit a low of \$21.69. Since then, we have become painfully aware of the devastation that this virus has brought upon us.

From a health perspective, we have seen the rapid spread and severity of this virus hit countries hard.

From an economic perspective, we have seen lockdown measures wreak havoc on employment and economic growth. Gold has been a pillar of safety.

The price of gold has rallied 29% since March. With this, gold stocks like Barrick have also risen. Barrick Gold stock has risen almost 70% since March in a clear indication of investors' risk tolerance. We are looking for safety.

Kirkland Lake Gold: A gold stock with booming cash flows

Kirkland Lake Gold (TSX:KL)(NYSE:KL) is another gold stock that is benefitting from rising gold prices. This company is posting strong revenue and net income gains. [It is also seeing strong free cash flows and dividend growth.](#)

Operating in Canada and Australia, Kirkland Lake Gold has one of the safest political risk profiles in the gold sector and the mining sector in general. The company also has some of the highest-grade gold mines in the world.

Kirkland Lake Gold stock is up an impressive 110% since March. As the price of gold continues to ride in this second wave of the pandemic, expect more outperformance from Kirkland Lake.

Motley Fool: The bottom line

The bottom line here is that gold stocks are outperforming in this pandemic crisis. As the second wave intensifies, we can find a safe haven in gold stocks. In fact, we should beef up on our gold stocks to shelter our portfolios from the upcoming storm.

CATEGORY

1. Investing
2. Metals and Mining Stocks

POST TAG

1. Editor's Choice

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2. NYSE:B (Barrick Mining)
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Author

karenjennifer

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