



1 Asset Class to Consider Buying for a Market Crash

Description

The most precious metal you can find on earth is gold. When the market is declining or [teetering on a crash](#), investors seek a safe asset class that outperforms. The yellow metal can mitigate losses in a volatile investment landscape and is an ideal complement to other assets if you want to diversify.

Stock markets are still fraught with uncertainties in Q4 2020 because the pandemic won't go away. The second-wave of COVID-19 and the return of shutdowns further emphasize the relevance of gold. It would be good to [add strategic assets](#) to your investment portfolio in the current environment.

On September 15, 2020, the **Toronto Stock Exchange** (TSX) released the 2020 TSX30 list. This year, two of the top-five performers are **Kirkland Lake Gold** (TSX:KL)(NYSE:KL) and Alacer Gold. The latter is now a wholly-owned subsidiary of **SSR Mining** ([TSX:SSRM](#))([NASDAQ:SSRM](#)) following the successful merger in mid-September 2020.

Aiming for industry leadership

Kirkland Lake ranks fourth on the TSX30 list with its +363% performance over the past three years. The stock is trading at \$64.36 per share or a year-to-date gain of 14%. Analysts recommend a buy rating and forecast a 13% climb to \$72.83 in the next 12 months. It also pays a 1.59% dividend.

The \$17.75 billion company's primary goal is to be a sustainable leading gold producer in the world. By cultivating a leading position within the mining industry, Kirkland can deliver superior value to shareholders. The mines in Northern Ontario (Macassa and Detour) and Fosterville in Victoria are the gold production activities' anchors.

Kirkland posted adjusted net earnings of \$243.9 million in Q3 2020, an increase of 49% and 14% versus Q3 2019 and Q2 2020, respectively. Its record free cash flow of \$275.7 million in the quarter represents a 52% increase year-over-year and 22%² higher than the preceding quarter. Management expects to finish 2020 with industry-leading earnings and cash flows.

\$4 billion mega-merger

If a market selloff is coming, an established gold miner is another investment option. The merger of SSR Mining and Alacer Gold is now complete, with the merged companies looking to produce more than 700,000 ounces of gold annually.

On the TSX, SSR Mining is up 9% year-to-date, while the current share price is \$27.24. Analysts are also bullish on this gold stock and forecast the price to soar by 45% to \$39.50 in the next 12 months. This \$5.97 billion company is not a dividend payer, although dividends might be forthcoming if it expects to generate \$450 million in annual free cash flow through 2022.

The mid-tier gold producer added Alacer's cornerstone Çöpler Gold Mine in Turkey to its flagship Marigold mine in Nevada, U.S.A. SSR also owns Seabee Gold Operations in Saskatchewan, Canada and Puna Operations in Jujuy, Argentina. Its annual gold output could reach 265,000 annually until 2021.

Go for gold

If you can't own physical gold during uncertainties, gold-backed and gold-related investment products are the next-best alternatives. A gold stock can serve as a hedge to market downturns. Kirkland Lake Gold and SSR Mining offer capital protection and financial security, much like the real precious metal. Finally, it might interest you to know that the GOAT of investing, Warren Buffett, is now a gold investor.

CATEGORY

1. Dividend Stocks
2. Investing
3. Metals and Mining Stocks

TICKERS GLOBAL

1. NASDAQ:SSRM (SSR Mining)
2. TSX:SSRM (SSR Mining)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

Category

1. Dividend Stocks

- 2. Investing
- 3. Metals and Mining Stocks

Date

2025/08/25

Date Created

2020/11/09

Author

cliew

default watermark

default watermark