



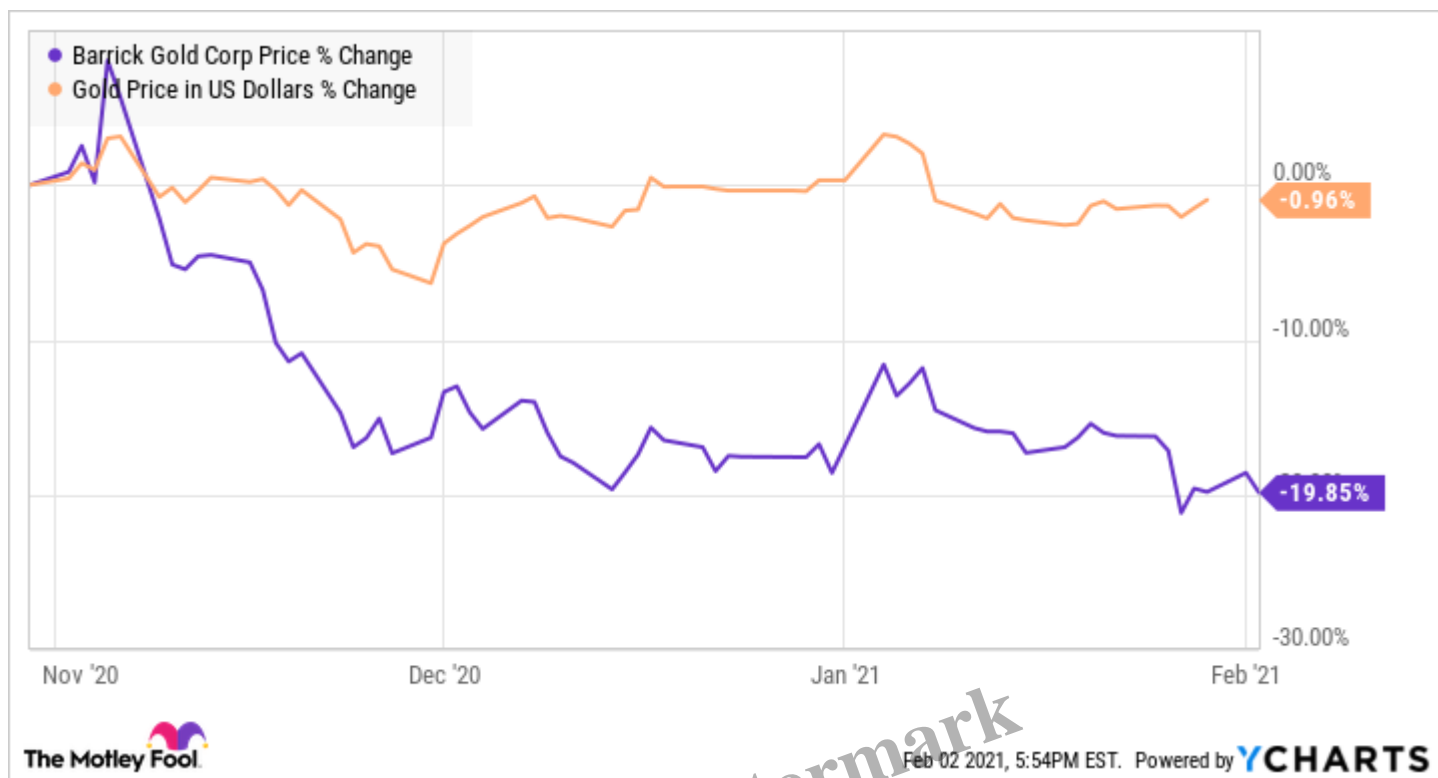
## This Buffett Stock Is on Sale!

### Description

Are you looking for a good stock to put in your portfolio right now? A great place to start the hunt for your next stock can be in **Berkshire Hathaway**'s current holdings. Warren Buffett's holding company contains many of the best blue-chip stocks you can invest in the markets today. But not all of them are great buys right now as the stock market has been hot, pushing many of them to sky-high valuations. However, there's one stock that looks like a potentially hot buy in there and that's been falling in recent months, and that's **Barrick Gold** ([TSX:ABX](#))(NYSE:GOLD).

As investors have been buying up speculative investments like **BlackBerry**, **GameStop**, and other risky buys in recent weeks, some solid companies with strong fundamentals have been seeing their share prices fall, including Barrick. Going back even further, since the U.S. election in November, shares of the gold miner have plummeted 20%. And with multiple vaccines from **Pfizer** and **Moderna** getting the green light from Canada and the U.S. since then, there's optimism the economies in those countries will recover sooner rather than later. That optimism often leads to investors taking on more risk and moving away from safe, gold-related investments.

However, despite the recent selloff, the price of gold remains fairly stable over the past three months:



ABX data by [YCharts](#)

## Why Barrick stock is worth picking up today

Even though a strong price of gold will help a company like Barrick, that doesn't mean that it will move in unison with the stock. And that disconnect right now makes Barrick an attractive buy. The price of gold is still over US\$1,800/ounce and that bodes well for the company because it means it can continue delivering strong results.

In the third quarter, its sales of US\$3.5 billion were 16% higher than in the previous quarter while net earnings increased by 147%. At the same time, the company also announced that it would be hiking its dividend payments by 12.5%. And if the results remain strong, investors can expect to see more increases in the future. Today, the stock yields 1.6% and although it's not a huge payout, it looks fairly safe right now and could help pad your overall returns from owning shares of Barrick.

## Bottom line

If there's a downturn in the economy or the recovery doesn't happen as smoothly as investors expect it to, then there could be more people buying gold. In that scenario, Barrick's numbers could look even better if the price of gold appreciates. At a minimum, the stock is a solid value buy that can help diversify your portfolio and at best, it generates [significant returns](#) for you over the long term.

Back in September, as concerns about a second wave of COVID-19 were rising, the stock was trading near its high for the year of more than \$40. If it reverts to those levels, you'd be looking at a return of around 40%.

Whether you're worried about the future of the economy, just want to diversify, or need some extra [dividend income](#), Barrick can be a great investment option to add to your portfolio today.

## CATEGORY

1. Dividend Stocks
2. Investing

## TICKERS GLOBAL

1. NYSE:B (Barrick Mining)
2. TSX:ABX (Barrick Mining)

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