



3 Safe TSX Stocks I'd Buy if the Market Continues to Fall

Description

The fears of resurging COVID-19 cases are affecting the stock markets globally. In the last couple of sessions, the **TSX Composite Index** has dived by 2.3% — slashing its year-to-date gains to 13.2%. Despite the broader [market weakness](#), the shares of some gold mining companies are still trading on a positive note in July. Let's take a closer look at some safe stocks to buy amid the ongoing [market selloff](#).

Why buy gold stocks amid a market selloff?

In general, the demand for the yellow metal tends to rise in times of uncertainty, leading to a rally in gold prices and the gold mining companies' shares. If the ongoing concerns about the pandemic continue to haunt investors in the coming months, it should be relatively safe to bet on these three TSX gold stocks. And even if the market resumes its upward journey after a short-term correction, adding these gold stocks to your portfolio should ensure you get handsome returns on your investment in the long term.

Kirkland Lake Gold stock

Kirkland Lake Gold (TSX:KL)(NYSE:KL) is a Canadian gold mining and exploration firm with a market cap of \$13.6 billion. Its stock is currently trading at \$50.91 per share with about 3.2% year-to-date losses. On the positive side, it has risen by about 7% this month, despite the market-wide selloff in July. In Q1 2021, Kirkland's EBITDA (earnings before interest, taxes, depreciation, and amortization) rose by 2% YoY (year over year) to US\$361 million. It was also better than analysts' estimate of US\$350 million. With this, the company's EBITDA margin for the quarter expanded on a YoY basis to 65.5%.

Moreover, its strong balance sheet, stable cash flow, and solid profitability make Kirkland Lake Gold stock one of the safest TSX gold stocks to buy right now.

Franco-Nevada stock

Franco-Nevada ([TSX:FNV](#)) is a Toronto-based gold-focused royalty and stream firm with a market cap of \$36 billion. Its stock has risen by nearly 5% in July, taking its year-to-date gains to 18%. In Q1 2021, Franco-Nevada posted a solid 45% YoY rise in its earnings to US\$0.84 per share, beating analysts' consensus estimates. Similarly, the company's revenue for the quarter rose by nearly 28% from a year ago to US\$309 million, while its adjusted net profit surged by 47% to US\$161 million.

Franco-Nevada's solid free cash flow allows it to consistently [expand its portfolio](#) by acquiring more profitable businesses and reward its investors with dividends. Overall, FNV stock could be a great buy for investors looking for safe stocks to buy amid the ongoing market correction.

Agnico-Eagle Mines stock

Agnico-Eagle Mines ([TSX:AEM](#))([NYSE:AEM](#)) could be another fundamentally strong gold stock to buy in July. Despite having risen by 3.2% this month so far, AEM stock is currently trading at \$77.39 per share with about 14% year-to-date losses.

Last year, Agnico Eagle Mines reported a 26% rise in its total revenue to US\$3.1 billion. Its higher revenue and expanding profitability helped it post an adjusted net profit of US\$452 million in 2020 — up 97% from a year ago. Agnico Eagle's strong operational performance, its consistently rising production, and stable financial position make its stock worth considering at the moment.

CATEGORY

1. Investing
2. Metals and Mining Stocks
3. Stocks for Beginners

TICKERS GLOBAL

1. NYSE:AEM (Agnico Eagle Mines Limited)
2. TSX:AEM (Agnico Eagle Mines Limited)
3. TSX:FNV (Franco-Nevada)

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Author

jparashar

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