



## Worried About a Pullback? 2 Gold Stocks to Buy Today

### Description

The year 2020 was a rollercoaster of a year for the world and investors with substantial capital in the stock market found themselves utterly confused by the uncertainty caused by the global health crisis. Markets recovered to pre-pandemic highs after a sudden downturn in February and March 2020 and 2021 has been a stronger year for the stock market.

There are increasing concerns of the stock market entering overvalued territory as the **S&P/TSX Composite Index** is at historically high levels. A brief pullback of 2.27% for the index between July 15 and July 19 highlighted the possibility of a significant market downturn.

One asset class that tends to underperform in bull markets and provide stellar returns during market correction is rare metals, namely gold. The gold industry offers several top stocks that you can consider adding to your portfolio if you are [planning for a market correction](#).

Gold is considerably cheap right now, trading for US\$1,795 per ounce at writing. It might not remain this cheap forever. Long-term investors who know how to ride the ups and downs of markets wait for the best opportunities to pick investments for their portfolios.

The market conditions right now could be ideal to buy gold stocks if you are worried about a significant pullback because gold prices might soar if that happens. Today, I will discuss two gold stocks that you could consider buying today to [prepare your portfolio for a pullback](#).

### B2Gold

**B2Gold** ([TSX:BTO](#))([NYSEMKT:BTG](#)) is a high-quality gold stock to consider. The company boasts low-cost operations that allow it to generate significant cash flows. The stock is trading for \$5.07 per share at writing and is down by 33.11% on a year-to-date basis despite its impressive operations.

However, its lower share prices are mostly due to investors selling gold stocks since underlying commodity prices are low. The company still managed to generate substantial profits from its operations despite the sell-off. The gold stock also pays its shareholders at a juicy 3.90% dividend

yield.

It could be a valuable addition to your portfolio because of its stable operations and great margins that allow the company's management to comfortably fund its dividend payouts.

## Kirkland Lake Gold

**Kirkland Lake Gold** (TSX:KL)(NYSE:KL) is another major gold mining company that has been trading for much lower prices in recent months. The \$13.3 billion market capitalization company is trading for \$49.79 per share at writing and is down by 12.56% on a year-to-date basis. The reason for its lower discount compared to B2Gold stock could be that it is a well-established company.

Kirkland Lake Gold has proven itself to be an ideal asset for investors who have a long investment horizon for gold stocks because of its reputation. More significant businesses in the gold mining industry have larger operations and are typically less volatile compared to smaller companies in the industry.

Kirkland Lake Gold pays shareholder dividends at a 1.87% dividend yield and it could be a viable asset to hold if you want to hedge against a market downturn and capitalize on rising gold prices if that happens.

## Foolish takeaway

Gold mining companies like B2Gold and Kirkland Lake Gold provide investor portfolios a hedge and considerable near-term upside in bear market conditions. Even a small allocation of space in your investment portfolio to gold stocks could provide you some protection for your investment capital in case the market goes through a [major downturn](#).

It would be wise to keep the two gold miners on your radar if you are not already eager to buy shares of the two companies today.

### CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

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2. TSX:BTO (B2Gold Corp.)

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