



Worried About a Recession? Buy This Top Gold Stock Today

Description

At writing, the **S&P/TSX Composite Index** is up by almost 17% on a year-to-date basis. The considerable positive momentum in equity markets has inspired a lot of investor confidence that continues to push Canadian [growth stocks](#) to higher valuations.

However, there comes a point when the markets go through a period of corrections. When that happens, people can start unloading shares left, right, and centre. The result is a broader overall decline in the market, as investors begin to panic. It is impossible to accurately predict or time a market crash, but you should never forget that it is a possibility, especially during market conditions like today.

[Planning for a market correction](#) does not mean selling all your winning bets and running away from the stock market with all your money. Not all assets tend to decline during broader declines in the stock market.

Today, I will discuss **Barrick Gold** ([TSX:ABX](#))(NYSE:GOLD) stock. It is a company that could be an excellent asset to hold during a market correction due to the inversely proportional nature of gold prices to the overall economy.

Ideal mining operations

Barrick Gold owns and operates multiple valuable mining operations worldwide. Two of the company's mines in Mali have managed to produce significant amounts of gold and copper, despite the political unrest in the country. The mines are expected to beat the company's production guidance.

The company has also been expanding its mining operations elsewhere to continue delivering better results. Barrick Gold management has established strong in-country partnerships to pursue its mining operations and extending the lifetime of its operations.

With open-pit deposits in its mining operations in the Democratic Republic of Congo and its Acacia mines in Tanzania, the gold producer has unlocked more potential to increase its production capacity and continue to deliver stellar returns. The company's enhanced understanding of geology has

consistently provided good results for Barrick Gold, and the company plans to continue extending the mine life in several locations for years to come.

Foolish takeaway

Barrick Gold stock has made significant progress in recent years. The company saw challenging times when gold prices declined five years ago, and the company was burdened by massive debt. However, rising gold prices since 2016 and the management's focus to pay down debts and improve operational efficiencies have allowed Barrick Gold to become significantly profitable again.

Barrick Gold's management capitalized on the company's free cash flow last year to become virtually debt-free. The company looks set to continue allocating its growing cash flows to become increasingly profitable in the coming years.

A market crash could significantly boost gold prices again and improve the profit margins for the gold producers. Adding Barrick Gold shares to your investment portfolio could allow you to benefit from the impact of a market crash on the economy and come out a much [wealthier investor](#) when the dust settles.

CATEGORY

1. Investing

TICKERS GLOBAL

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

PARTNER-FEEDS

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

PP NOTIFY USER

1. adamothonman
2. kduncombe

Category

1. Investing

Date

2025/08/23

Date Created

2021/08/21

Author

adamothonman

default watermark

default watermark