



Market Volatility: 1 Top Gold Stock to Buy Right Now

Description

As the **S&P/TSX Composite Index** continues to sustain its momentum near new all-time highs, the high valuations in the market also present the worrisome potential of a major downturn in the stock market.

If you are [scared of a market pullback](#), it would be wise to prepare your portfolio by looking at hedges that you can add to your portfolio and protect your wealth. Precious metals have always been considered safe-haven assets during volatile market environments. Assets like gold tend to appreciate when the broader economy declines.

Whenever there is the slightest sign of volatility in the market suggesting a significant downturn, investors flock to gold or gold-related stocks.

Barrick Gold ([TSX:ABX](#))(NYSE:GOLD) is one such stock that you could buy right now if you are worried about a downturn on the horizon. Being one of the largest gold mining companies worldwide, seeking exposure to a company that relies on producing the precious yellow metal to generate most of its revenues makes sense.

Today, I will discuss why the top gold miner is an [ideal stock](#) for you to consider for your portfolio.

Improving fundamentals

Gold prices are hovering around the US\$1,800 mark. The higher gold prices have benefitted gold mining companies by providing them with more significant profit margins. Barrick Gold has had a fantastic year in 2021 so far. The company's second quarter for fiscal 2021 saw profits exceeding US\$411 million — a significant improvement from its profits in the same quarter last year at US\$357 million, even though gold prices were higher during that time.

Barrick Gold has increased its production, and the company continues to streamline its expenses. Despite a decrease in the company's year-over-year revenues, Barrick Gold's higher profits in Q2 2021 indicate that the gold producer's cost-reduction strategies are paying off very well. Should the gold

prices start going on an upward trend, Barrick Gold's higher profit margins could provide a further boost for its future prospects.

The next quarter could be a massive period for the company. Gold prices are likely to remain higher due to the rising volatility and inflation rates. At writing, Barrick Gold stock is trading for \$24.98 per share, and the stock boasts a 1.81% dividend yield. With its share prices down by 20% on a year-to-date basis, it could be the ideal time to buy Barrick Gold shares before its price starts appreciating.

Foolish takeaway

Barrick Gold is a massive gold mining company with geographically diversified mines, impressive revenues, and a remarkable production capacity. The company's management team has done a wonderful job of improving its balance sheet, as it boasts a cash balance in excess of \$5 billion from being weighed down with billions in debt just a few years ago.

Given its position right now, Barrick Gold stock could be an ideal investment to have in your portfolio [should market volatility rise](#) further and drive gold prices further up.

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1. Dividend Stocks
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