



## 3 Top Gold Stocks to Buy in December for Diversification

### Description

As the TSX continues to hover around all-time highs, investors who have stuck with a buy-and-hold strategy over the long-term continue to be rewarded. Indeed, the performance of the market has been nothing short of spectacular. However, having some allocation dedicated to gold stocks or other market hedges is always a good idea.

For those seeking diversification, here are three top gold stocks to consider right now.

### Top gold stocks: Barrick Gold

**Barrick Gold** ([TSX:ABX](#))([NYSE:GOLD](#)) continues to be a top gold pick, and rightly so. It looks undervalued to me when compared to the price action of the metal. Gold trades at around US\$1,800 during the time of writing, up from around \$1,725 in September, and analysts expect this to continue through 2021 and continue going into 2022.

Indeed, gold is used to hedge inflation risks. Accordingly, demand from both individuals and investors is likely to rise. For Barrick, the price of gold is down by almost 40% from its 2020 highs, despite gold being off by about only 15%. Moreover, the company has a robust balance sheet, courtesy of several years of non-core asset sales and high profits from rebounds in gold prices.

That said, Barrick is poised to turn the tables around with fewer disruptions in the supply chain and operations. With indications the company will boost its gold productions due to multiple acquisitions, alongside reducing carbon emissions by 25%, there's a lot to like about this gold miner. All things considered, Barrick is an ideal gold stock that has tremendous potential to outperform its peers in the case of a market correction.

### Agnico Eagle

**Agnico Eagle** ([TSX:AEM](#))([NYSE:AEM](#)) is another behemoth in the gold sector. The company is gearing up for a merger with **Kirkland Lake Gold** — a deal that should prove to be lucrative once gold

prices start gaining momentum.

Agnico is a top-notch operator, managing operational costs well, despite facing the brunt of foreign exchange headwinds. Riding on the back of higher production, Agnico Eagle was able to keep overall expenses low this past quarter. Moreover, the company's management team also updated its investors that its Odyssey underground project's development is also on schedule and on track to meet budget.

Indeed, Agnico Eagle is a gold miner that has been able to deliver excellent revenue and earnings growth. Coupled with a decent dividend yield of around 2.5%, Agnico looks like a top gold play for 2022.

## Newmont

**Newmont** ([TSX:NGT](#))([NYSE:NEM](#)) is my third pick today. The company dabbles in copper, gold, and zinc in reserves located across the globe, including in North and South Americas, Australia, parts of Africa, with total reserves estimated to stand at around a whopping 94 million ounces. Its management is looking to achieve an average of eight million ounces a year for the next decade. So, it is expected that its gold business will remain strong moving on to the next few years.

Indeed, the company was able to generate nearly \$730 million in cash flow along with a revenue of \$2.9 billion and is on track for double-digit EPS this year. This is after significant production troubles in several of its mining sites due to pandemic induced restrictions and supply chain disruptions.

However, I think the outlook on this company will only improve in the coming years. Newmont trades at a reasonable valuation of less than 15 times FY2023 earnings estimates. Accordingly, this gold stock is one I think investors would do well to consider right now.

### CATEGORY

1. Investing
2. Metals and Mining Stocks

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2. NYSE:B (Barrick Mining)
3. NYSE:NEM (Newmont Mining Corporation)
4. TSX:ABX (Barrick Mining)
5. TSX:AEM (Agnico Eagle Mines Limited)
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