



Forget Bitcoin: As Risks Mount, Investors Can Find Safety in This 1 Stock

Description

Growth stocks have been plunging with nearly no [relief](#) thus far in 2022. Undoubtedly, the V-shaped recovery that prior dips have seen may or may not be on the table this time around. There are a lot of things to worry about, ranging from geopolitical concerns to interest rate policy and inflation. And let's not forget about COVID-19. Yes, the pandemic is still ongoing, even though investors may have put it lowest on their list of things to worry about.

Omicron cases are dwindling, and the return to [normalcy](#) looks to be back on again. But how long will it last? And what variant comes after Omicron? How virulent of a disease will it take before COVID is back atop the list of things to worry about? These are questions that we don't have the answers to. COVID risks are still there, so one should be aware of them and not assume a full return to normalcy is underway, even if news of Fed moves is more impactful to the broader markets.

Inflation, geopolitical risks, rate hikes, and COVID: Big risks facing this market

Indeed, inflation poses a serious threat. For growth stocks, rate hikes are responsible for the recent valuation reset. With the S&P 500 at risk of falling back into that 10% peak-to-trough decline, pundits and strategists seem split as to whether the next stop is all-time highs or a bear market.

At this uncertain juncture, do not panic. You can't make money like that. Too much cash will leave you feeling the pain from +5% inflation. So, there are really no 100% safe places to preserve your wealth these days. The best you can do is to evaluate the risk/reward profiles, stay diversified, and invest accordingly in investments (stocks or REITs) that possess a reasonable margin of safety.

Don't discount risks and blindly buy the stocks that have fallen most with the assumption that they'll see their highs again sometime soon! Instead, seek deep value, so you can outdo the TSX in a tough and turbulent year.

Barrick Gold

Barrick Gold ([TSX:ABX](#))(NYSE:GOLD) is my gold standard in the gold mining industry. Indeed, gold has been running higher of late as a result of all the tensions worrying the equity markets. Moving forward, I expect gold to continue rallying higher, especially once the last bit of euphoria is taken out of the crypto markets.

Indeed, **Bitcoin** is seen as a gold-like alternative to some. Is it a good store of wealth? Who knows? Over the long run, it may prove not to be, given its cyclical nature. In any case, I don't expect people to keep getting rich over the near term from crypto or Bitcoin.

Eventually, the tides will turn, and investors could lose interest in the asset class once crypto plunges and trades sideways for months or years at a time. Before the pandemic, crypto went quiet. These days, it's hot, but I suspect it will go quiet again. Once it does, gold could really take off. Barrick is my top pick, because of its brilliant management teams, its prized assets, a solid dividend (1.6% yield), and a reasonable valuation. The stock popped 20% this week. I expect more upside ahead.

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