



Market Pullback: Is it Time to Buy Gold Stocks?

Description

Yesterday, I'd [discussed](#) the market pullback that was triggered by the worsening Russia-Ukraine war to open this short week. The **S&P/TSX Composite Index** fell 100 points to close out the day on February 22. Sectors like energy and financials were able to stay out of the red for the day, while base metals plunged roughly 1%. Regardless, gold stocks are an enticing target in this climate.

The spot price of gold rose above US\$1,900/ounce for the first time since the summer of 2021 this past week. It stands to reason that investors will be drawn to gold stocks and other precious metals producers in this environment. Is this strategy worth pursuing? Let's jump in.

How has Yamana Gold responded to the market pullback?

Yamana Gold ([TSX:YRI](#))([NYSE:AUY](#)) is a Toronto-based company that operates as a precious metals producer. Shares of this gold stock have shot up 21% in 2022 as of close on February 22. This has pushed the stock into the black in the year-over-year period. Yamana Gold is worth your attention during this [market pullback](#).

The top gold producer released its fourth-quarter and full-year 2021 results on February 17. In Q4 2021, Yamana posted net earnings of \$109 million, or \$0.11 per basic share — up from \$101 million, or \$0.11 per share, in the previous year. Meanwhile, cash flow from operating activities jumped 25% quarter over quarter to \$238 million. For the full year, total revenue rose to \$1.81 billion over \$1.56 billion in fiscal 2020.

Shares of this gold stock are trading in favourable value territory compared to its industry peers. It also offers a quarterly dividend of \$0.03 per share, representing a 2.4% yield.

This top gold stock has been rock solid in 2022

In late 2021, I'd [suggested](#) that investors look past **Bitcoin** and scoop up gold stocks instead. Indeed, the price of Bitcoin has continued to drop steadily since the publication of this piece. Meanwhile, gold is

back in vogue as the hedge during this recent market pullback.

Barrick Gold ([TSX:ABX](#))(NYSE:GOLD) is one of the top gold producers on the planet. This gold stock is up 22% in the year-to-date period. Its shares are now up 14% since the same period in 2021. The company released its final batch of 2021 earnings on February 16.

The realized gold price was up marginally in 2021 compared to the previous year. In Q4 2021, adjusted net earnings climbed to \$626 million compared to \$419 million in the fourth quarter of 2020. Moreover, adjusted net earnings per share rose to \$0.35 over \$0.24 in the prior year. This gold stock possesses a favourable price-to-earnings ratio of 20. Meanwhile, it offers a quarterly dividend of \$0.10 per share.

One more gold stock to consider today

Kinross Gold ([TSX:K](#))(NYSE:KGC) is the third gold stock I'd look to target in the face of the ongoing market pullback. This Toronto-based gold producer is down 2.3% so far this year. Its shares are down 16% from the same time in 2021.

Shares of this gold stock are trading in attractive value territory compared to Kinross's top competitors. It mostly met or exceeded its 2021 guidance in its recent full-year earnings release. That said, the company still has some catching up to do compared to the previous two gold producers that have put together a better performance over the past year.

This gold stock last paid out a quarterly dividend of \$0.03 per share. That represents a 2.1% yield.

CATEGORY

1. Investing
2. Metals and Mining Stocks

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2. NYSE:B (Barrick Mining)
3. NYSE:KGC (Kinross Gold Corporation)
4. TSX:ABX (Barrick Mining)
5. TSX:K (Kinross Gold Corporation)
6. TSX:YRI (Yamana Gold)

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