



1 Top Safety Stock I'd Buy Amid a Geopolitical Crisis

Description

The markets made a [remarkable](#) comeback on Thursday, posting one of the biggest intraday moves since the bounce-back from the COVID market crash in 2020. Indeed, the markets, especially tech, were oversold, justifying the recovery. But does that mean the TSX or S&P 500 have bottomed out? Or could this be yet another opportunity for investors to lighten up by “selling the rip”?

Personally, I think investors should focus on diversifying their portfolios in case things get uglier, rather than better. With sanctions being slapped on Russia, markets seem to think that the worst of the Ukraine-Russia crisis is over with. This may not be the case, as the ordeal takes it to the next level over the coming weeks. Undoubtedly, many investors have been discounting the potential impact of the geopolitical turmoil. Indeed, the black swan event, like the COVID crisis, could derail dip-buyers once again should worse come to worst. That's why it's vital not to be too greedy by chasing rallies like the one experienced on Thursday.

Geopolitical tensions pick up: More volatility ahead?

Instead, focus on putting some cash to work in names that will help you [diversify](#) your portfolio further. If it means lightening up on technology stocks on the bounce to add to your value holdings, so be it. Many value stocks can be viewed as safety stocks during times like these. Now, it's tough to sell the bounces, but if we are, in fact, approaching a bear market, it may be key to getting better bargains down the road, especially if you lack cash or are hanging onto stocks that have been pummeled over 80%. You don't need to make back money where you lost it. Many names like **Peloton** probably aren't coming back anytime soon. Indeed, it's tough to move on from such names, but if it means being able to get back on the right track, it's always worth consideration.

In this piece, we'll look at one of the best safety stocks I'd look to buy as geopolitical tensions send volatility through the roof. Consider **Agnico Eagle Mines** ([TSX:AEM](#))([NYSE:AEM](#)): one intriguing value play that could rally amid the chaos.

Agnico Eagle Mines

Agnico Eagle is a top-tier precious metals miner that is starting to make a comeback. Indeed, gold tends to do well in times of geopolitical turmoil. Undoubtedly, **Bitcoin** went bust as tensions took off, which, I believe, reinforces the case for buying gold as it looks to eclipse the US\$2,000 mark.

With shares of AEM flat year to date, I think investors looking for a proven wealth preserver should check out the stock while it's down and out. There's a great 2.7% dividend yield to collect while you wait. The latest turmoil going on in Ukraine shows us that black swan events can happen, and we need to be prepared for them. That's why gold and gold miners like Agnico ought to be considered as a part of a diversified portfolio ready for any sort of market "weather."

At writing, AEM stock is pulling back intraday, opening up an entry point for those light on or lacking in gold exposure.

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