



Barrick Gold (TSX:ABX) Stock Is up by 24.02%: Should You Buy?

Description

Barrick Gold ([TSX:ABX](#))(NYSE:GOLD) stock is trading for \$29.53 per share at writing, reflecting 24.02% year-to-date gains on the stock market. The higher demand for gold has been impacting the gold mining company's performance on the **TSX**, and investors who have missed out on its recent surge might be wondering whether it could be a good buy at its current levels.

Today, I will discuss the situation surrounding Barrick Gold stock to help you determine whether it is an [undervalued stock](#) amid the broader market environment or if it is trading for too steep a price.

Rising gold prices

The price for the rare yellow metal has seen a sudden surge in the last few weeks. At writing, an ounce of gold is valued at US\$1,908, marking the first time since June 2021 that gold has traded in that region. It is possible that higher gold prices could well be on their way. It would not be surprising to see gold prices hit new all-time highs by the end of the year.

Increasing tensions in the geopolitical arena could contribute to higher gold prices. As things stand, it appears as though Russia will invade Ukraine. Any conflict of that scale can send global financial markets spiraling down. The anticipation of rising tensions leads to greater fears among investors who want to protect their investment capital.

We are already seeing a surge in demand for gold due to the uncertainty right now. Any event that sets things off could see more money flow towards gold, because it is a traditional safe-haven asset.

The Russia and Ukraine situation isn't the only factor that could drive gold prices higher. The increasingly worrisome inflationary environment is eating away at the buying power for Canadians. Inflation hit 5.1% in January, making it increasingly challenging for everyone to contend with rising living costs.

Gold has long been viewed as a viable [hedge against inflation](#). As more money flows into these assets, it impacts the performance of companies that are related to them. And that is where Barrick Gold

comes in as an asset you could buy to leverage the conditions while keeping your capital liquid.

Foolish takeaway

Barrick Gold stock has posted considerable year-to-date gains, but it is still down by 25.35% from its May 2020 levels. The company reported strong results in the fourth-quarter performance report for fiscal 2021. Provided that gold prices hold at these levels or soar higher, Barrick Gold stock could see a boost to its performance on the stock market in the coming months.

Despite the recent-most surge, Barrick Gold stock appears to be a [value opportunity](#) with the potential to deliver further capital gains. It could be the right time to buy its shares before its valuation soars higher.

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