



Bitcoin vs. Gold: What Is the Better Safe Haven in 2022?

Description

The Russia-Ukraine conflict has led to massive fluctuations in commodity prices since late February. For example, the price of Brent crude has climbed over US\$130/barrel in early March, only to drop below the US\$100 mark in the middle of this week. The chaotic nature of the conflict, and the geopolitical struggles that surround it, has confounded investors.

Today, I want to look at how two popular havens have performed so far this year. Indeed, in late February I'd [discussed](#) whether **Bitcoin** ([CRYPTO:BTC](#)) or gold was the better bet. At the time, I'd thrown my hat in with the yellow metal. Has anything changed in the weeks that followed? Let's jump in.

The case for Bitcoin as a haven in 2022

Bitcoin was priced just above US\$40,500 as of the early morning on March 18. The world's top [digital currency](#) challenged the US\$69,000 price mark in November 2021. However, it suffered a sharp drop in the weeks that would follow, seemingly bottoming out in late January.

Cryptocurrencies started to face [major headwinds](#) in late 2021 and early 2022. Some investors feared that rising interest rates in North America could spark a correction for equities and for more volatile assets like crypto. Others have warned against creeping regulations that could lead to major changes for the young market.

Canadian investors who want to track the top crypto in a registered account in 2022 and beyond may want to consider **Purpose Bitcoin ETF** ([TSX:BTCC.B](#)). This was the first Bitcoin-focused exchange-traded fund (ETF) to be launched in North America. Its shares have dropped 12% in 2022 as of close on March 17. The ETF is down 29% year over year.

Why gold is still the asset class to beat

Gold looked like the much stronger bet back when markets were sent into a tailspin in the first half of 2020. Indeed, the spot price of gold rose above US\$2,000/ounce for the first time in its history. Gold

bulls had reason to celebrate as history repeated itself over the past month.

The spot price of gold rose above US\$2,000/ounce again in the first half of March. It reached a 52-week high of US\$2,078.80 before retreating in the days that followed. Predictably, this has led to a jump in gold mining stocks.

Kinross Gold ([TSX:K](#))([NYSE:KGC](#)) is a Toronto-based gold miner that operates in the United States, Brazil, Chile, and in other global locations. Indeed, it also had operations in Russia. In early March, the company announced that it would suspend operations at its signature Kupol mine. Shares of this gold stock have dropped marginally so far this year.

Barrick Gold ([TSX:ABX](#))(NYSE:GOLD) is one of the largest gold producers on the planet. This gold stock has surged 27% in 2022 as of close on March 17. That has pushed Barrick's shares into positive territory in the year-over-year period.

The top gold miner met its production guidance in 2021. Meanwhile, adjusted net earnings rose to \$2.06 billion compared to \$2.04 billion in the previous year. Adjusted net earnings per share rose to \$1.16 over \$1.15 per share in 2020. This gold stock possesses a favourable price-to-earnings ratio of 21. It also offers a quarterly dividend of \$0.10 per share, which represents a modest 1.6% yield.

The verdict

Bitcoin has gained some momentum since I'd compared the two havens in late February. However, gold still looks like the much stronger option for investors at the time of this writing. I'm still more inclined to snatch up gold stocks like Kinross and Barrick in this environment.

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