These 3 Gold Stocks Should Be on Your Radar in 2022

Description

The TSX bullish phase will not last forever. Even if the index doesn't see a major crash as it did in 2020, a correction is long due, thanks mostly to the powerful growth phase the market has seen in the last couple of years. The two-year post-pandemic growth (if we judge based on the composite index) is far stronger than several years of pre-pandemic growth.

Whether it's a correction or a crash, if a dip is coming, then gold should be your asset of choice. And there are three gold stocks you can look into for gaining exposure to this precious commodity.

World's largest gold mining company

If you are betting on any commodity, going with the largest player is perhaps the safest choice. And with **Newmont** (TSX:NGT)(NYSE:NEM), you don't just invest in the largest gold mining company in North America but a global leader. While the company is listed here in Canada as well, it's headquartered in the United States. Its TSX listing is quite recent, while it has been listed on NYSE for over eight decades.

Newmont has mining operations in four continents: North and South America, Australia, and Africa, but the bulk of its output is from the Americas. Only one other company (**Barrick Gold** from Canada) comes relatively close to Newmont's production output; the rest are far behind.

The third-largest producer didn't even produce half as much gold as Newmont did in 2021. Apart from relatively stable growth (for a gold stock), it also offers healthy dividends.

A precious metal streaming company

As one of the world's largest gold streaming companies, **Wheaton Precious Metals'** (TSX:WPM)(NYSE:WPM) competitive advantage is almost as pronounced as Newmont's, with one majorexception. As a streaming company that exchanges rights to buy gold at a set price for an upfrontfinancial investment, it's not as exposed to the headwinds that affect gold mining companies.

This less risky exposure to gold as an asset class appeals to many investors. But even though it's less exposed to the sector's dynamics, the stock has mostly been cyclical in nature. In the last five years, it has gone through two growth phases: 109% growth pre-pandemic and 117% post-pandemic growth.

If you buy the dip and wait long enough, your chances of doubling your capital with this streaming giant are quite high.

An undervalued mining company

Centerra Gold (TSX:CG) is a Toronto-based gold mining company with domestic and international operations. It produces both copper and gold, though the latter is the highlight of the company's output. Its local operations are in B.C., and its international projects are in the U.S. and Turkey.

Canterra Gold is mostly a good pick for its cyclical growth potential because even though it offers dividends, the 2.2% yield is not compelling enough for most dividend investors. It's a good yield compared to the rest of the sector, however.

As for the growth potential, the stock follows the pattern of other mining giants, but since it's relatively lighter (smaller market cap), the growth seems more pronounced. For example, its two growth phases (parallel to the rest of the sector) in the last five years pushed the stock up over 150%.

Foolish takeaway

Like most other gold stocks, these three should be on your radar, especially if we enter a bear market phase, because gold, as an asset, shines the brightest when the broader stock market is performing poorly.

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3. TSX:CG (Centerra Gold Inc.)
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