



Oil vs. Gold Stocks: Which Should You Buy Now?

Description

Global stock markets are uncertain, as the geopolitical tensions from the Russia-Ukraine war persist. Combined with an already inflationary environment, rising tensions have led to stock market investors [planning for a market correction](#).

Uncertain and volatile market environments are ideal for investing in various commodities. A certain rare yellow metal and black gold are two commodities that have been on the rise lately due to several macroeconomic factors. The question is: which should you buy right now?

Should you choose between gold and oil stocks? Should you go for both? I will discuss one of each to help you determine which might be a better commodity stock to go for today.

An integrated oil company

Cenovus Energy Inc. ([TSX:CVE](#))([NYSE:CVE](#)) is a \$43.18 billion market capitalization integrated oil and natural gas company headquartered in Calgary. The company has an equal focus on its oil and natural gas businesses. However, its oil sands, offshore rigs, and conventional wells are the main growth drivers for the company right now.

Its upstream operations are responsible for most of its cash flows, but the company also generates significant revenue through its midstream services. The pandemic was challenging for all energy sector operators, but the strong rebound in oil has given it a considerable boost.

Cenovus Energy stock trades for \$21.63 per share at writing, and it boasts a 0.65% dividend yield. Its shares are up by 32.88% year to date, and it appears to have a lot more growth left to realize during the current market environment.

A global gold-producing giant

Barrick Gold Corp. ([TSX:ABX](#))([NYSE:GOLD](#)) is a \$55.33 billion market capitalization gold and copper

mining company headquartered in Toronto. The company owns and operates several sites in countries worldwide, and it is one of the world's largest gold producers. Investors looking for companies that can benefit greatly during environments with high gold prices could consider Barrick Gold a safe investment.

Higher gold prices mean better profit margins for gold producers like Barrick Gold. Investing in its shares means capitalizing on the combination of modest shareholder dividends and cyclical growth. Investors tend to flock to gold during volatile market environments as a hedge to protect their investment capital. The uncertainty prevailing in markets worldwide could lead to a similar situation.

Barrick Gold stock trades for \$31.05 per share at writing, and it boasts a 1.64% dividend yield. Its share prices are up by 30.41% year to date, but its valuation has been moving sideways for the last few weeks.

Foolish takeaway

The **TSX** continues to show signs of a bearish phase coming soon. It could be anything from a two-week dip to a full-blown downturn.

If a significant market crash takes place, [gold might serve as a better commodity](#) to protect and even grow your investment capital due to historical trends. Barrick Gold would be the natural choice for you to consider in such a scenario.

Oil prices are more fickle due to the geopolitical tensions leading to the surge in its valuation. If you are bullish on rising oil prices, investing in a [commodity stock](#) like Cenovus might be a very attractive investment for your portfolio.

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