



Worried About a Market Correction? Buy These 2 Gold Stocks Instead!

Description

Equity markets continue to remain volatile due to a range of macro-economic factors, such as rising interest rates, supply chain disruptions, geopolitical tensions, higher inflation numbers, and much more. It's quite possible for stocks to move lower in the near term and end 2022 in the red. So, if you expect the [selloff in the equity market](#) to continue, it makes sense to increase exposure to gold.

Historically, gold prices and the stock market have had an inverse relationship. Gold is viewed as a hedge against inflation and a store of value. The prices of the yellow metal have gained momentum in times of uncertainties as well as economic downturns. While you can directly purchase gold ETFs, investors can consider buying companies that mine gold as well.

Here, we'll look at two Canadian gold stocks you can buy today.

Barrick Gold

Barrick Gold ([TSX:ABX](#))(NYSE:GOLD) is engaged in the exploration, development, production, and sale of gold and copper properties. The mining heavyweight has ownership interests in gold mines located in the Americas. Additionally, it also has ownership interests in copper-producing mines located in Chile, Saudi Arabia, and Zambia.

In its annual report, Barrick Gold stated it set up an Asia-Pacific team to consider opportunities in the region. It has also acquired exploration permits in Japan while investigating projects in North Africa and the Middle East. Barrick Gold emphasized it has a strong focus on exploration in Latin America where the company is testing targets along the border between Chile and Argentina.

Despite certain headwinds, Barrick Gold's operating results in Q4 reflected a solid performance. It met production guidance for the third consecutive year, which is notable given pandemic-related disruptions. Barrick Gold returned \$1.4 billion to shareholders in 2021 but remained net cash positive for the second year in a row.

Barrick's adjusted earnings in Q4 rose 46% sequentially to \$0.44 per share compared to consensus

estimates of \$0.38 per share.

Barrick Gold should be on the buying list of most investors looking to invest in mining stocks. Its asset base includes six tier-one mines with a 10-year business plan. Barrick Gold also has a significant and growing copper business, which provides meaningful free cash flow to the entity.

Kinross Gold

In 2021, **Kinross Gold** ([TSX:K](#))([NYSE:KGC](#)) produced 2.1 million ounces of gold, [increasing its total reserves](#) to 2.7 million ounces. It also finalized an agreement with the government of Mauritania, repaid \$500 million of senior notes, and returned \$250 million to shareholders through dividends and share buybacks last year.

Kinross Gold recently announced the addition of a high-quality asset to its portfolio with Great Bear. It remains well positioned to increase production and generate substantial free cash flow going forward. This confidence was reiterated in the company's long-term production outlook, where it forecast average annual production of at least 2.5 million ounces in the upcoming decade.

In the last five years, Kinross Gold stock has returned close to 60% in dividend-adjusted gains to investors. The stock seems undervalued as its trading at a forward price-to-2022-earnings multiple of 12.7. Comparatively, its earnings are forecast to rise by close to 10% this year. Additionally, Kinross Gold also offers investors a dividend yield of 2.05%.

CATEGORY

1. Investing
2. Metals and Mining Stocks

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2. NYSE:KGC (Kinross Gold Corporation)
3. TSX:ABX (Barrick Mining)
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