



## Canadian Precious Metals Stocks to Watch as Gold and Silver Soar in Price!

### Description

Gold and silver stocks have been picking up quite a bit of traction lately, with both precious metals experiencing a considerable lift on the back of heightened geopolitical concerns and a more hawkish U.S. Federal Reserve. Indeed, it's hard to be optimistic these days, as investors face risk at all angles. By being too conservative, one will face the insidious impact of inflation, which could test the 10% (in the U.S.) mark if left unchecked.

With **Bitcoin** and cryptocurrencies starting to show signs of following the broader stock markets, questions linger as to whether digital tokens are worthy of being held as a part of a diversified portfolio with a long-term time horizon. Do cryptocurrencies simply introduce risk and beta to a portfolio? Or can they help the average investor improve upon their portfolio's Sharpe ratio (a gauge of risk/reward)?

### The case for owning gold and silver over Bitcoin

Given that cryptos haven't been around for nearly as long as gold and silver; I'd argue that the value of owning crypto for anything other than a near-term trade is a giant question mark. However, I'm certainly not against owning a little bit for those keen on the asset class, as it continues to gain acceptance on the international stage.

For now, I'll stick with gold and silver stocks, many of which could be in for a nice windfall come their next round of quarterly results on the back of recent strength in gold and silver prices. Gold faces a critical test over the coming months.

Will it surge above US\$2,000 per ounce and make a run for that prior high, as inflation continues to inspire fear? Or will the rally falter, dragging its miner stocks lower?

Personally, I think top-tier gold and silver miners are still buys, even if the recent precious metals rally runs out of steam. If anything, gold and silver are great hedges against a worsening of the crisis unfolding in Ukraine. With recession fears rising following the U.S. yield curve inversion, I'd argue that if you do own a considerable amount of stocks, it's only [prudent](#) to have a little bit of precious metals, just in case the list of fears increases further.

## Gold and silver stocks to watch as precious metals rally

Undoubtedly, a stagflationary environment could cause markets to swoon and precious metals to surge. At this juncture, I like **Agnico Eagle Gold** ([TSX:AEM](#))([NYSE:AEM](#)) and **First Majestic Silver** for gold and silver exposure.

With a nice 2.5% dividend yield and a smart acquisition of Kirkland Lake Gold, I'd argue that the firm is best poised to benefit from the continued [strength](#) in the gold markets over the medium term. Now, Agnico will have its hands full with Kirkland's assets being brought on board. In any case, I'm a huge fan of the price paid for the deal and would look for Agnico to bring out the best in Kirkland.

The \$38 billion gold miner has ample upside if you believe gold can sustain a run past US\$2,200 per ounce. It is important to note, however, that leverage works both ways. If you're overweight risk and want a hedge against a weakening global economy, though, it's hard to pass up the name at \$82 and change per share.

### CATEGORY

1. Investing
2. Metals and Mining Stocks

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1. joefrenette
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**Author**

joefrenette

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