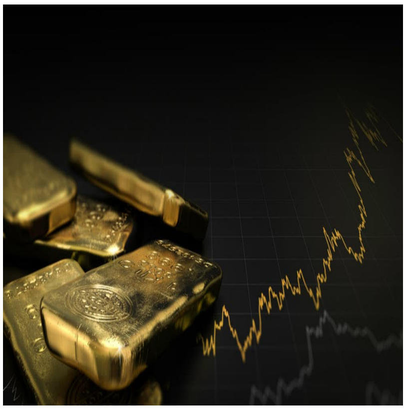

2 Gold Miners to Hedge Your Portfolio With

Description

Gold is usually the first asset class investors look into when they need to hedge their portfolios against negative market dynamics or inflation, even though there are more contrarian options nowadays (including crypto).

What's ironic is that it might be part of both the cause *and* the effect when it comes to the gold stocks soaring higher during the pandemic. However, gold's ability to retain its value is usually the primary catalyst.

But even though gold and gold stocks offer good returns only under specific market conditions, they can still be of great use, even for long-term investors. They can anchor the portfolio during market downturns and prevent it from plummeting.

And if you are amiable to a short-term holding, these stocks can offer better returns in a couple of years than many linear growth stocks in half a decade.

With that in mind, there are two gold miners you should look into.

A mid-cap gold miner

With a market capitalization of $3.4 billion, Vancouver-based **Equinox Gold** (TSX:EQX)(NYSE:EQX) is a mid-cap gold miner with an entirely Americas-focused portfolio of gold-producing assets. This is somewhat different from larger gold miners, many of which have extensive operations in Africa. It has mines in Canada, the U.S., Mexico, and Brazil.

Another point (apart from a geographically diversified portfolio) in this gold miner's favour is that the insiders hold a huge number of its shares. This shows the confidence of the people working for/with the company in its profitability and long-term potential. The company also has minimal debt and enough cash/short-term investments to balance out the debt.

It doesn't pay dividends, but its capital-appreciation potential is quite promising during both troubled and bull markets. The stock saw a steady rise between the end of 2018 and before the 2020 crash (about 180%). After the market crash, the stock rose over 90% in fewer than six months.

A small-cap gold miner

Calibre Mining (TSX:CXB) has been around for a relatively long time, and its stock has seen strong up and down tides in the last two decades. However, the last time the stock traded in double digits was in 2004. Still, it managed quite powerful growth spurts when the market conditions were favourable. In the previous five years alone, it has seen two major and two minor growth phases.

The major growth phases pushed the value up over 170% and 400%, respectively, and the second one took fewer than nine months. The smaller growth spurts were for about 50% and 40%, respectively, and the second one is still going on.

The stock is also quite attractively valued right now, and if it’s anything like its last major growth run, you might consider buying this mid-tier producer.

Foolish takeaway

Not all gold stocks are worth buying only during a market crash. The bull market performance of the two gold stocks above indicates that the right gold stocks can offer adequate growth during healthy markets as well.

CATEGORY

1. Investing
2. Metals and Mining Stocks

TICKERS GLOBAL

1. NYSEMKT:EQX (Equinox Gold Corp.)
2. TSX:CXB (Calibre Mining Corp.)
3. TSX:EQX (Equinox Gold Corp.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. adamothman

2. kduncombe

Category

1. Investing
2. Metals and Mining Stocks

Date
2025/09/27
Date Created
2022/04/21
Author
adamothman