



1 High-Yield Gold Stock That Could Shine in Summer

Description

Silver and gold stocks have seen a considerable amount of relief over the past few months, as geopolitical tensions surged. Undoubtedly, **Bitcoin** and other speculative cryptocurrencies may have taken a bit of the edge out of the recent run in the precious metals. As the appetite for speculating fades, though, Bitcoin's real test as a store of wealth will come into play. Will it crumble like a paper bag, hold its own, or surge higher, taking more of the lustre out of silver and gold?

Nobody knows where Bitcoin will go, as we move into a highly uncertain environment that could see the global economy flirt with a recession. Indeed, the U.S. yield curve inverted a few weeks ago, and since then, markets have seen an uptick in choppiness. The choppy waters could be here to stay. And for now, cryptos and precious metals miners could likely test their [highs](#) over the coming quarters, as rate hikes and earnings come flowing in.

With earnings season quite mixed, with big winners and losers, it's hard to tell if the economy is strong enough to stomach a half-point hike in less than a month. Indeed, chatter of a three-quarter point hike has gone around of late, and if it surprises investors, one can only expect the magnitude of volatility to take it to the next level.

Right now, Bitcoin, gold, and silver are each intriguing assets to own as a part of a [diversified](#) portfolio to dodge and weave through another round in the ring with a Mr. Market who has been rough on beginner investors. So, bear market or not, here's one of my favourite precious metal miners that I think has a decent risk/reward scenario, given the elevated magnitude of risk facing equities these days.

Agnico Eagle Mines

Agnico Eagle Mines ([TSX:AEM](#))([NYSE:AEM](#)) has enjoyed a big spike, surging nearly 40% to \$81 and change per share since bottoming out in January. The Canadian gold miner has indeed benefited from the uptick in precious metal prices. With a genius acquisition of Kirkland Lake Gold in the books, I'd look for meaningful upside if gold does look to break the US\$2,200 level.

Had it not been for Bitcoin's robustness, I'd think gold would have already hit the level. Indeed, if Bitcoin falters and gold retains its lustre as market volatility soars, Agnico Eagle stock is one of the top names I'd look to buy and hold. With a juicy 2.5% dividend yield, Agnico is one of few ways to get rewarded for your patience. With a competent management team and a literal gold mine of assets, the risk/reward scenario still seems incredibly favourable, even after the recent parabolic move higher.

If gold holds up, Agnico could be one of the few commodity names that could get cheaper, even as shares trend higher.

The Foolish bottom line

Agnico Eagle Mines may have walked away with one of the best deals in the Canadian gold-mining scene, with Kirkland. As macro risk continues to worry investors, AEM stock seems like the perfect bet for those seeking an affordable hedge alongside a very bountiful and sustainable dividend.

Yes, a 2.5% dividend yield isn't huge by any means. But for a gold miner that offers a wealth of other benefits (most notably a hedge against macro risk), the payout is a bonus in my books.

CATEGORY

1. Investing
2. Metals and Mining Stocks

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2. TSX:AEM (Agnico Eagle Mines Limited)

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