



## The Best Gold Stock for Investors in Defence Mode

### Description

Motley Fool investors are likely already aware that when a market downturn comes, the market turns towards commodities. These are items that we basically cannot live without. And one of those items tends to be gold.

While Warren Buffett doesn't like gold stocks, the market sure does. But there are still a lot to choose from for solid growth during a downturn, or perhaps even a recession.

So, should that happen, there are some Motley Fool investors who are likely going on the defensive. If that's the case, this is the best gold stock I would choose today.

### Wheaton Precious Metals

**Wheaton Precious Metals** ([TSX:WPM](#))([NYSE:WPM](#)) is a streaming company. What that means is it usually gives start up cash to smaller mines that need the money. Then Wheaton can swoop in and buy up gold at cost when they [strike gold](#).

The company then sells its minerals both in Canada and around the world. It has 23 operating mines and 13 in development, as of writing. And while it definitely dabbles in gold, it also supports mining in everything from silver and copper to palladium as well.

### Super cheap

What you should love about Wheaton right now is the gold stock offers strong value. It trades at a valuable 2.95 times book value, and a fairly valued 23 times earnings. Furthermore, you can pick up a stable 1.41% dividend yield as of writing.

And what's important is to look back at how the company performed during the last market crash. In fact, over the last several. In the case of 2020, when the market fell in March shares of Wheaton started to skyrocket. And then it was due to the pandemic, not a [recession](#).

Now that we may reach a recession, shares should climb once more. Back in 2020, that was by 89%! And that could certainly happen again, with shares of the company returning back to all-time highs.

## Get defensive

Commodities are a great way to protect your portfolio during a downturn. But instead of choosing a gold stock that focuses on its own mining projects, Wheaton gives you access to projects around the world. What's more, it just continues to make investments. There are no costs to purchase land, equipment, or any of that. Wheaton just gets to swoop in, hand over some cash, and collect gold and silver at discount prices.

So, if you're looking for a way to get defensive, I would highly recommend Wheaton today. You can pick up the gold stock and look forward to consistent long-term contracts and solid growth for years to come. But even if you just decide to stick around to all-time highs, that could very well happen during the next year and even next few months.

### CATEGORY

1. Investing
2. Metals and Mining Stocks

### TICKERS GLOBAL

1. NYSE:WPM (Wheaton Precious Metals Corp.)
2. TSX:WPM (Wheaton Precious Metals Corp.)

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