



No Matter What Gold Prices Do, This Is 1 of the Best Stocks to Buy

Description

Gold is an asset that can play an important role in Canadian investors' portfolios, especially at crucial times when market volatility and uncertainty are rising. So, in general, the rule of thumb is that investors allocate a small portion of their portfolios, maybe 5%, to the best gold stocks you can buy.

However, gold prices can be highly cyclical, and therefore gold stocks can go through long periods of underperformance. This can cause investors to try to time the market and buy gold when risk increases while selling when the environment is not as uncertain.

However, this can be speculative and trying to predict what may happen in the future is far too difficult.

Instead, finding a high-quality gold stock that you can commit to for the long haul is a much better idea. Gold is only going to be a small part of your portfolio anyway. Over the years, when prices cycle, you can allocate more capital to the stock, as the rest of your portfolio continues to grow in value.

If you find a high-quality gold stock to buy, you can certainly have confidence owning it for years. No matter where gold prices go, **B2Gold** ([TSX:BTO](#))(NYSE:BTG) is one of the best gold stocks to buy.

If you want to buy the best gold stocks, make sure you plan to own them for the long haul

If you're going to buy gold to protect your portfolio, it's crucial to plan to hold these stocks for the long haul. However, while these stocks can rally while gold prices are gaining, we want to continue to earn income even as prices fall.

That's why B2Gold is one of the best gold stocks to buy now. First off, B2Gold is one of the lowest-cost gold stocks in Canada. Furthermore, those low costs allow it to be highly profitable and pay an exceptional dividend, making it ideal to hold for the long haul.

Having low production costs is crucial and gives B2Gold a major advantage over its higher-cost peers.

First, as gold prices rise, B2Gold's margins will expand rapidly and offer investors tonnes of potential for profits. Conversely, if gold prices are falling, B2Gold will be able to stay profitable longer than its peers, which is extremely important.

The price of gold can't stay low forever. As prices fall, some producers with higher costs will eventually become unprofitable. When this happens, naturally, they would stop producing gold for the time being or at least slow down their production.

And when many companies across the industry do this, it would create a shortage in supply, and prices would begin to recover.

The fact that B2Gold is such a low-cost producer is crucial and gives it a massive advantage. When gold prices are falling, it only needs to stay profitable longer than most in the industry. Plus, the fact that it offers such an attractive [dividend](#) only adds to the confidence you can have holding B2Gold for the long haul and is just one of many reasons why it's one of the best gold stocks to buy.

B2Gold's financials are extremely impressive

When looking at B2Gold's financials, it's clear why it's one of the best gold stocks to buy and hold long term.

For example, in its most recent [quarter](#), the average selling price that B2Gold received for the gold it had produced was \$1,874. Meanwhile, the stock had total cash costs to produce that gold of just \$699 per ounce in the quarter. In addition, B2Gold's all-in sustaining costs were just \$1,036 per ounce, some of the lowest in the industry, and showing what incredible margins that B2Gold has.

And because the stock has sold off with the price of gold in recent weeks, it's now exceptionally cheap. After falling to almost \$5 a share, B2Gold's dividend again yields more than 4%. Furthermore, the stock trades at a forward enterprise value to EBITDA of just 3.1 times and a forward price-to-earnings ratio of just 8.6 times.

Therefore, given the potential that B2Gold offers, the role gold can play in your portfolio, and the fact that B2Gold is so cheap, there's no question that it's one of the best stocks to buy now.

CATEGORY

1. Investing
2. Metals and Mining Stocks

TICKERS GLOBAL

1. NYSEMKT:BTG (B2Gold Corp.)
2. TSX:BTO (B2Gold Corp.)

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