



1 Top Gold Stock With a Huge Dividend

Description

Warren Buffett isn't a huge fan of gold or gold miners, primarily because the asset does not produce anything. The Oracle of Omaha has slammed the shiny yellow metal many times in the past, noting that invested capital would be better off in equities.

Indeed, Buffett is right in that a fixed amount of gold will not do anything (other than cost investors substantial storage fees) over a prolonged period of time. However, when it comes to the shares of certain gold miners, the “productivity” argument starts to get interesting. Shares of many top Canadian precious metals miners have dividends.

These dividends can be viewed as “productive” through the eyes of investors who hold shares and collect quarterly payouts. Though miners may unearth and hold an unproductive metal with limited industrial applications, elevated gold prices are enough to help the miners reward investors for their patience.

It's tough to match the gold standard

Undoubtedly, gold needs to be above a certain level, or the [dividend](#) could be at risk of a substantial reduction. Though it's virtually impossible to forecast the price of gold, it has proven as a relatively stable store of value through the ages. Unlike cryptocurrencies, gold has stood up the test of time. In that regard, it's unlikely to shed a majority of its value in a hurry at the hands of a broader economic shock.

If anything, gold was built for times like these. With so much concern about stagflation, [recession](#), and elevated inflation, the stage looks set for a robust gold rally. In any case, investors will need to be patient if they're looking to hedge their portfolios with gold and gold miners. Gold prices have proven rocky, likely thanks to the choppiness in almost every other asset class.

In this piece, we'll have a closer look at **Barrick Gold** ([TSX:ABX](#))(NYSE:GOLD): one gold stock that is not only productive for your portfolio but also quite bountiful with a rich dividend payout at writing.

Barrick Gold: Getting paid to wait for the next gold surge

Barrick Gold is a \$46.5 billion gold-mining behemoth. Shares recently slipped around 20% from their 52-week highs of \$32 and change per share, thanks to the mild pullback in the price of gold. Though Barrick will amplify any small movements in gold prices, I think investors have a lot to gain by embracing the volatility. With a 1.95% dividend yield, Barrick pays you for your patience. Gold miners may introduce volatility to a portfolio, but well-run miners like Barrick can actually help tilt the tables in investors' favour.

Gold is a lowly correlated asset, meaning it tends to zig when markets zag, and vice versa. Though nobody knows if gold will move back to all-time highs, I view the dividend as sustainable and Barrick stock as discounted relative to its incredibly robust operations. The stock goes for 18.9 times earnings at writing, making it a low-cost way to lower your beta and get paid while doing so!

The bottom line

Gold may be unproductive, but its miners are anything but in this environment. Barrick Gold has a rock-solid dividend that has the means to grow if gold were to appreciate from here. After suffering a big tumble, I wouldn't hesitate to punch my ticket into the name to gain all the benefits that precious metals have to offer at a time like this.

CATEGORY

1. Investing
2. Metals and Mining Stocks

TICKERS GLOBAL

1. NYSE:B (Barrick Mining)
2. TSX:ABX (Barrick Mining)

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. joefrenette
2. kduncombe

Category

1. Investing
2. Metals and Mining Stocks

Date

2025/08/25

Date Created

2022/05/21

Author

joefrenette

default watermark

default watermark