



Down by 37%: Is Barrick Gold (TSX:ABX) a Good Buy Right Now?

Description

Barrick Gold Corp. ([TSX:ABX](#))(NYSE:GOLD) trades for \$20.95 per share at writing, down by 37.5% from its 52-week high. The world's second largest gold miner could be an excellent investment for you to consider at current levels. [Metals and mining stocks](#) have seen share prices decline as gold prices fell from their peak last year.

Gold trades for under US\$1,800 per ounce as of this writing, but that has not stopped Barrick Gold from putting up an impressive performance.

The \$37.28 billion market capitalization Canadian mining company headquartered in Toronto recently reported its earnings. Barrick reported impressive profit growth in Q2 for fiscal 2022.

The company generated US\$488 million in income, beating its earnings in the same quarter last year by 18.7%. Revenue dipped by 1.04% year over year, dropping to US\$2.86 billion.

However, the company's quarterly earnings report has several other highlights, including an increase in gold production to 1,043,000 ounces and higher average realized gold prices at US\$1,861.

Despite global headwinds and unstable gold prices, Barrick reported profit growth. Let's look closely to see if it could be worth adding to your portfolio right now.

Geared for long-term value creation

The materials sector is the third-largest industry on the TSX after the financials and energy sectors, accounting for 14.1% of the big board. Metals and mining stocks like Barrick Gold are a part of the materials sector, an industry that has been underperforming, largely due to declining gold prices. However, Barrick Gold is among the most valued gold and copper producers worldwide.

The company owns a 61.5% stake in Nevada Gold Mines, the largest mining complex on the planet. It also has operational gold mines in Africa, the Middle East, the Asia Pacific region, and Latin America. The CEO has said that creating long-term value is a primary goal for the company, adding that all the

businesses under its name have solid 10-year business plans geared towards that goal.

On track in 2022

Barrick Gold's management has said that the company is well on its way to achieving its gold and copper production guidelines for the year after putting up a company-wide strong performance in Q2. Key growth projects are making progress, and it expects gold production to increase further as the year ends.

Canada's largest gold miner is expanding its exploration efforts worldwide, looking for new frontiers to continue growing its operations. It is well-capitalized, performing well, and is working with strong leadership to adapt to the challenging environment.

Barrick Gold pays its shareholders a 2.45% dividend yield. The dividend yield is modest, but the promise of shareholder dividends could make it a more attractive investment to consider. Remember that ABX stock is not immune to market volatility.

By reinvesting shareholder dividends in the stock, you can earn a passive income and keep lining your account balance with cash, even if it goes through pullbacks.

Foolish takeaway

Barrick Gold stock trades for a significant discount from its all-time highs as global macroeconomic factors continue to weigh on economies. However, the company's management is confident in its ability to navigate the situation and come out stronger when the dust settles.

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. Flipboard
3. Koyfin
4. Msn
5. Newscred
6. Quote Media
7. Sharewise
8. Smart News
9. Yahoo CA

PP NOTIFY USER

1. adamothonman
2. cleona

Category

1. Investing
2. Metals and Mining Stocks

Date

2025/06/28

Date Created

2022/08/16

Author

adamothonman

default watermark

default watermark