



2 Falling TSX Gold Stocks I'd Buy to Fight Against Recession Concerns

Description

In the last few months, the stock market has seen wild movement due to investors' rising fears about a looming recession amid inflationary pressures. This is one of the main reasons why central banks in Canada and the United States have started taking aggressive measures to fight inflation and reduce the amount of money in the economy lately. As the possibility of a recession continues to haunt investors, gold prices could soar, as investors flee riskier assets.

Higher gold prices tend to increase the profitability of gold miners and trigger a rally in their stocks. That's why it makes sense for investors to keep some fundamentally strong [gold stocks](#) in their portfolios in such uncertain economic times.

In this article, I'll highlight two of the best gold stocks on the **TSX** that you can consider buying now. Interestingly, both of these stocks have seen a correction lately, making them more attractive.

OceanaGold stock

OceanaGold ([TSX:OGC](#)) is a Melbourne-headquartered multinational gold producer with a market cap of about \$1.5 billion. Despite consistently beating analysts' earnings estimates for the last two quarters, its TSX-listed stock has seen a sharp correction lately. The stock now trades at \$2.09 per share with 6% year-to-date losses after losing more than 11% of its value in August alone.

In the first half of 2022, OceanaGold's gold production surged by 39% on a YoY (year-over-year) basis. In the June quarter, its total revenue rose by 25.6% from a year ago to US\$229.4 million with the help of gold production of 112,296 ounces. As a result, the company [registered](#) a 25% YoY jump in its second-quarter (Q2) adjusted earnings to US\$0.05 per share, exceeding analysts' estimates.

In July, OceanaGold increased its copper production guidance to 14,000 tons from its original guidance of 12,000 tons while maintaining its gold production guidance range of 445,000 to 495,000 ounces. Apart from its strong fundamentals, recession concerns are fueling expectations of a sharp recovery in gold prices, which should help OceanaGold stock stage a rally in the coming months.

Barrick Gold stock

Barrick Gold ([TSX:ABX](#))(NYSE:GOLD) could be another quality gold stock to buy in Canada right now that has seen a correction lately. After posting 27.5% gains in the first quarter, ABX stock has lost nearly 30% of its value since then. With this, shares of this Toronto-based gold and copper producer now trade at \$21.65 per share with about 11.3% year-to-date losses.

In the second quarter, the company's gold production improved on a sequential basis to 1.04 million ounces, and it expects the production to rise further in the second half of the year. Overall, the strong operational performance at its mines is keeping Barrick Gold on track to achieve its full-year production guidance.

While a recent decline in the gold and copper prices could trim its profitability in the ongoing quarter, the overall long-term demand outlook for these metals remains strong, with stronger global demand in the post-pandemic era. This is one of the key reasons I find ABX stock worth considering for the long term. Besides, this Canadian gold stock also has a decent dividend yield of around 2.4% at the moment.

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