



## Better Buy: Kinross Gold Stock or Franco-Nevada?

### Description

More than a century ago, prospectors had to leave their homes and try their luck in the wilderness to find gold. Now, investors don't even have to leave their beds. The difference is that if you had luck, then you actually "struck gold." And if you have luck now (as an investor), *and* you choose the right stocks (which has nothing to do with luck), you can see golden returns from your gold stocks.

It bears stressing that as a good investor, "luck" is not something you should be counting on. Good planning, understanding the market, and diligent research should be your go-to strategy for investing and choosing the right stocks. But since the market is unpredictable, even with the best tools available to us, you should also have a healthy risk tolerance.

With that out of the way, let's look into two gold stocks you may consider anchoring your portfolio with (at least a part of it) in a 2023 recession and see which might be the better pick.

### A senior gold producer

**Kinross** ([TSX:K](#)) is a senior gold producer that mostly operates in the Americas. It has three functional mines in the U.S. (two in Nevada and one in Alaska), one each in Chile, Brazil, and Mauritania, which is the only African jurisdiction the company operates in. It also has promising properties in Canada and multiple exploration projects.

The annual guidance for 2022 was two million ounces, and the production is expected to hover around this number, at least till 2025, and may not exceed 2.1 million ounces in any given year. The best part is that the company has proven reserves of about 28.5 million ounces. And with the current production pace, this may last the company for well over a decade.

With this stability in mind, you can evaluate Kinross for its potential, especially during market downturns. After the 2020 [market crash](#), its performance was amazing, and it reclaimed its pre-crash value in less than two months. In the Great Recession, its full recovery took nearly a year, and it didn't last long.

As for now, the stock has been going up consistently since July 2022 and is already up 50%. This tide may continue to rise until the market turns bullish. It's also offering a 2.6% dividend yield.

## A gold royalties company

**Franco-Nevada** ([TSX:FNV](#)) offers a different way to invest in gold — royalties. And considering the stock's performance in the past 15 years, this appears to be a better choice, especially if you are looking for growth-based returns. The stock has gone consistently up, alongside a bullish TSX. This is in stark contrast to the performance of most gold [mining stocks](#).

The stock has been fluctuating ever since it hit its post-pandemic peak, and this may continue until the recession. But since it moves differently from other gold stocks, the stock may go up in the bullish market and remain bullish for years. It's not a great catch from a dividend yield perspective, but as an established aristocrat, it offers dividend stability and consistency.

## Foolish takeaway

Both stocks are worth buying, albeit at different times. Kinross, thanks to its ability to perform well during a recession and its current momentum, is a good buy now and might remain so until the early days of a bullish market. And when the recovery period starts, Franco-Nevada would be a better option. If you buy at the right time, you may be able to lock in a good yield as well.

### CATEGORY

1. Investing
2. Metals and Mining Stocks

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1. TSX:FNV (Franco-Nevada)
2. TSX:K (Kinross Gold Corporation)

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