



2023 Is Looking Shiny for These Canadian Gold Stocks

Description

Canadian gold stocks look ready to come roaring back after many quarters in the dog house. Indeed, precious metal prices have dragged their feet in recent years. A major reason, I believe, was due to the rise of cryptocurrencies. With the FTX blow-up fresh on the minds of forward-thinking crypto enthusiasts, I view gold and silver stocks as a more intriguing “store” of value for the hard times.

Undoubtedly, it's tough to make huge gains in gold and silver plays over the long haul. Folks like Warren Buffett aren't big believers in precious metal plays, because they tend to just sit around and not produce anything. Still, what Buffett may be neglecting is the hedging benefits of gold or even silver. As an industrial metal, silver tends to exhibit more chop than gold. Indeed, silver may not be the best place to hide when the tides of recession move in. In any case, this piece will give two intriguing Canadian gold stocks another look.

Canadian gold stocks are looking enticing for 2023

With gold prices hovering in the US\$1,900 range, many may question where the metal heads next. While it's tough to envision new highs as crypto prices march higher again, I think that gold's relative stability through 2022 could lead many safety seekers back into miners, bullion, and exchange-traded funds (ETFs).

While I'm not against bullion or trusts to expose yourself to the shiny yellow metal, I think the Canadian gold stocks are the best way to get bang for your buck. Not only will you not have to pay someone to “store” your bullion or manage ETF assets, but you'll be the one to be paid through a juicy [dividend](#).

Now, gold miner dividends may not be perceived, as sustainable growers over extremely long periods of time. Gold tends to have cycles. And if times are rough, dividend hikes could be tough to come by. Junior miners may need to slash payouts to shore up liquidity if times get really tough and gold prices plunge amid rising operational expenses.

That's why I stick with the rule of thumb that “bigger is better” when it comes to precious metal miners.

ABX and AEM stocks: Worth their weight in gold

Barrick Gold ([TSX:ABX](#)) and **Agnico Eagle Mines** ([TSX:AEM](#)) are gold-mining heavyweights on the TSX Index. And I think both make for worthy bets right here.

On Tuesday, Barrick and AEM took a step back, marking a potential cooling of recent rally off lows. ABX stock retreated just shy of 4%, while AEM fell around 2.5%. It's tough to tell if the pullback caused by falling gold prices is the start of a correction. Regardless, I'd look to be a [buyer](#) if you've been planning on gaining gold exposure but haven't been able to amid rapidly rising prices in recent weeks.

At writing, AEM offers a 2.94% yield. ABX stock has a 2.8% yield. As gold finds its feet, I don't think such juicy yields will last. As shares rise, yields could shrink. And dividend hikes may not be able to deliver 3% levels if we are at the cusp of a gold comeback.

Given the sour taste that crypto (so-called millennial gold) left in the taste of safe-haven seekers, I'd argue gold and gold-mining stocks have a bit more wind to their backs for the year.

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