



Why Silvercorp Shares Slumped Today

Description

10% Promise Series

Although we don't believe in timing the market or panicking over market movements, we do like to keep an eye on big changes — just in case they're material to our investing thesis.

What: Shares of silver miner **Silvercorp Metals** ([TSX:SVM](#)) plunged 13% today after its quarterly results disappointed Bay Street.

So what: The stock has been on a rollercoaster over the past year on volatile silver prices, and today's Q3 results — EPS of \$0.01 versus \$0.03 cents in the year-ago period as sales plunged 60% to \$24 million — aren't exactly giving shareholders peace of mind. In addition to low silver prices, management cited several factors at its Ying Mining District project for the disappointing production, giving short-term oriented investors very little reason to stick around.

Now what: Management conducted a comprehensive review to turn its Ying Mining District operations around. “[A] series of improvements covering all aspects of operations, including mine planning and strategy, contractor compensation methods, quality control, and a performance-based (linked to tonnage and grade) compensation package for mine management, were enacted,” Silvercorp reassured investors. “In the next quarter, the Company will monitor the effects of the new improvements and expect to be in a position to provide normalized production guidance for the Ying Mining District when we release our quarterly results in May.”

More important, with Silvercorp continuing to sport a rock-solid balance sheet and beaten-down stock price, the downside might be limited enough to bet on that expectation.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:SVM (Silvercorp Metals Inc.)

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