



Why Silver Wheaton Corp Is Poised to Hit \$35

Description

I want to tell you a story about cunning, huge growth, and angry mutant sharks. On the way, you'll find the most insanely cheap stock I know.

Streaming metal companies have swept through the mining sector, becoming the main source of cash for new projects. **Silver Wheaton Corp** (TSX: SLW)(NYSE: SLW) started this shift years ago, and remains almost unrivaled at the top of this industry.

But the stock is about as popular as the Koch brothers at a Greenpeace rally. In the last three months, shares have lost 25% of their value. The stock has lagged, not only the market as a whole, but most of its peers, too.

Company		3-Month Price Change	Market Capitalization	Trailing P/E Ratio
Silver Wheaton Corp		(25%)	\$8.0B	22
Royal Gold Inc		(12%)	\$4.8B	69
Goldcorp Inc		(15%)	\$21.3	N/A
Barrick Gold Corp		(24%)	\$17.6B	N/A

Source: Google Finance

Several of these stocks look good today. But not one can match the upside I see in Silver Wheaton. Let me show you three things Mr. Market forgot when it comes to this firm.

1. Mr. Market forgot about growth

The price for any stock must take growth into account. But Silver Wheaton is priced as if it already ran out of room to grow.

Last year, the firm's producing streams generated 36 million silver equivalent ounces. By 2018, the street projects that figure will nearly double. At those rates, Silver Wheaton will be gushing cash flow.

2. Mr. Market forgot about moats

Silver Wheaton has built a moat around its business a mile wide and filled with killer sharks with laser-beams in their heads. The firm is the biggest streaming metals financier in the world. That gives it credibility as a source of funds.

If you're a struggling miner, doing a deal with Silver Wheaton is a giant "all clear" signal to other investors. You could almost call it a brand. While Silver Wheaton isn't selling soda, this brand strength allows the firm to earn thick returns for its shareholders.

3. Mr. Market forgot about the smart money

I'm not the only one who likes this name. The world's smartest investors are also bullish. George Soros bought a US\$10 million stake. A number of other stock sharks – such as Eric Sprott, Mark Coe, and Ray Dalio – have also been buying up shares.

There's so much more to this stock: the growing dividend, a bright outlook for silver, etc. To top it all off, last quarter the firm posted net profit margins over 40% in spite of the wacky metals market. Just think what it could do in a *good* year.

CATEGORY

1. Investing
2. Metals and Mining Stocks

TICKERS GLOBAL

1. TSX:WPM (Wheaton Precious Metals Corp.)

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