



## This Key Catalyst Makes Now the Time to Invest in Silver

### Description

It has been tough time for silver investors as the precious white metal has seemingly been caught in an intractable bear market. Even the world's largest silver ETF, the **iShares Silver Trust**, plunged by 13% over the last year. While the short-term outlook for silver remains volatile, there is a one key tailwind that is set to trigger an epic silver rally.

### Now what?

You see, unlike gold, silver is an industrial metal with demand from an industry that accounts for just over half of all demand for physical silver. This demand is set to explode because of silver's conductive properties that make it the most electrically conductive of all the elements. As a result, it is an important component in the manufacture of a wide range of hi-tech products, including photovoltaic cells used in solar arrays. A number of countries have established aggressive green energy targets that have them focused on boosting their solar energy capacity.

China, the world's most populous country and second-largest economy, has increased its solar capacity by a massive 6,000% between 2009 and 2014. Now, it is set to triple this existing capacity by 2018 to 100 gigawatts (GW). With 2.8 million ounces of silver required to manufacture sufficient photovoltaic cells to generate one GW of electricity, this plan requires roughly 196 million ounces of silver.

This is more than triple the amount of silver utilized for the manufacture of photovoltaic cells in 2014. A number of countries, including those in the Eurozone, Japan, and the U.S. are also seeking to significantly boost their solar energy capability. The demand for silver to be used in the manufacture of photovoltaic cells can only explode. When this is coupled with a constrained supply situation because silver miners have slashed investments in exploration and mine development, silver prices can only strongly appreciate over the long term.

### So what?

For many investors, investing in silver means either purchasing bullion or a silver ETF, but neither is a particularly attractive option because they don't offer the leveraged exposure to silver that the miners

do, curtailing the potential returns that investors can gain. This makes investing in a silver miner the best way to gain exposure to silver.

One silver miner that is attractive at this time is **Endeavour Silver Corp.** ([TSX:EDV](#))([NYSE:EXK](#)). It has been battling a range of operational issues, but appears to finally have its house in order. This, along with some high-quality silver assets and attractive valuation metrics, including an enterprise value of four times EBITDA and 10 times its silver reserves, makes the company an attractive investment, particularly when recent strong quarter-over-quarter EBITDA growth is accounted for.

Another option that gives investors levered exposure to silver with less risk is precious metals streamer **Silver Wheaton Corp.** ([TSX:SLW](#))([NYSE:SLW](#)). As a financier of mining projects, it is not required to make the same capital investments or take on the same degree of risk. It also has a lower cost structure, allowing it to remain profitable at silver prices that miners can't.

## CATEGORY

1. Investing
2. Metals and Mining Stocks

## TICKERS GLOBAL

1. NYSE:EXK (Endeavour Silver Corp.)
2. TSX:EDV (Endeavour Mining Corporation)
3. TSX:WPM (Wheaton Precious Metals Corp.)

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