



## Silver Wheaton Corp. Should Be a Part of Your Portfolio: Here's Why

### Description

**Silver Wheaton Corp.** (TSX:SLW)(NYSE:SLW) is the largest silver streaming company in the world, with active operations on three different continents.

The price of silver has steadily risen over the past month, prompting investors to take a look at their portfolios and ensure that they are adequately diversified to this fluctuation. Silver Wheaton is one such company that should be considered for inclusion.

Let's take a look why Silver Wheaton should be a part of your portfolio.

### High margin, low risk

Silver Wheaton is a streamer, which basically means it funds mining companies through an upfront payment in exchange for gold and silver by-product, which Silver Wheaton sells at a significant profit. The negotiated price for the mined metal is often significantly less than the market rate.

This is lower risk than investing in the mining company because there is no need to invest in exploration costs or large capital expenditures.

In terms of those high margins, consider this as an example: the operating cost for silver is currently set near US\$4.36 per ounce and US\$395 per ounce of gold. Putting this into perspective, an ounce of gold on the market currently goes for near US\$1,160. **Goldcorp Inc.**, who is often regarded as one of the most efficient companies in the mining business, has a cost of \$656 per ounce.

This margin alone makes Silver Wheaton a lucrative opportunity for investors to explore.

### Quarterly results are coming next week

Since the beginning of the month, the stock has appreciated by over 10%. Results for the third quarter will be released November 3, and the consensus among analysts is that Silver Wheaton will beat expectations and will have had a very good quarter; a strong buy rating will be put on the stock.

The company has forecasted that production will hit 43.5 million ounces, and of that number, 38% will be attributed to gold. Last year, the number attributed to gold was significantly higher. With the gold market faring better than silver, better-than-expected revenues attributed to gold are not completely out of the question, especially when compared with the same quarter last year.

Looking to the future, the company forecasts that production could hit upwards of 51 million ounces within the next four years, which will push the price of the stock even higher.

Currently, the stock trades at just under \$18, and, in my opinion, can be considered a bargain at the current price, particularly for investors looking to diversify their portfolio with a stock that has huge growth potential in the long term.

## **CATEGORY**

1. Investing

## **TICKERS GLOBAL**

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

## **Category**

1. Investing

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