



## Precious Metals Caught Your Eye? Canadian Silver Miners Still Offer Good Value

### Description

Silver prices experienced small declines early Monday, but rebounded to finish the trading day at \$20.86, even with resistance formed for metals with the strengthening of the U.S. dollar. Silver is now down 19% year over year and is hovering near the lows experienced in the December sell-off following the U.S. election.

This week could prove interesting with the June minutes for the Federal Open Market Committee due to be released Wednesday and the U.S. jobs report on Friday.

Healthcare reform continues to be hotly contested south of the border. The Trump administration has made it clear that it wants to pass the alternative Republican plan to replace the Affordable Care Act before it moves on to bold tax reform.

Any major failure to pass either reform may spook investors who have taken part in the market bonanza that resulted in response to Trump's pro-growth policies and promise of big corporate tax cuts. Unease and skepticism surrounding the fulfillment of these policies could be a massive boon for gold and silver.

Canadian miner **Silvercorp Metals Inc.** ([TSX:SVM](#))(NYSE:SVM) has proven especially robust during a difficult year for the metal. The share price has gone up 11.80% year over year and 23% in 2017. It was down 6.5% at Tuesday's close, settling in at a stock price of \$3.88.

Silvercorp Metals is a silver-producing Canadian mining company engaged in the acquisition, exploration, development, and mining of mineral properties in China. The company pays an annual dividend of \$0.01 per share and pays out 5.9% of its earnings in the form of a dividend.

Revenue for Silvercorp was up 23% from the previous quarter in its latest report and currently has a P/E ratio of \$11.71. Silvercorp is a value bet at its low share price. Strong revenue and an impressive share performance in a year which has been bad for silver equities should draw in investors looking for a bargain.

**Tahoe Resources Inc.** (TSX:THO)(NYSE:TAHO) finished Tuesday's trading at \$10.94, down 2.15%.

The company has felt the impact of the plunge in silver prices. It is down 44% year over year and 13% in 2017. Tahoe Resources pays an annual dividend of \$0.03 per share, and its P/E ratio is 16.93.

Tahoe reported record results in the first quarter of 2017. Cash flow provided by operating activities reported at \$132.9 million. The company boasted \$74.7 million in earnings, \$0.24 per share, and record revenues of \$251 million. These results indicate that Tahoe Resources should be well positioned in the event of an upward move for silver prices.

Both Silvercorp Metals and Tahoe Resources are attractive plays for investors betting on an upswing in silver prices. All eyes will be on the U.S. this week with two key reports and the battle for healthcare and tax reform set to have an impact on metals markets.

## CATEGORY

1. Investing
2. Metals and Mining Stocks

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