

5 Hot Silver Stocks to Buy for a Silver Bull

Description

Despite a slow start to the year, silver prices look set to rise later in 2018. The silver mining sector has taken a bit of a beating of late, thanks in large part to global political uncertainty and a volatile U.S. dollar. So, now might be a good time to jump on the undervalued silver train. Below, you'll find five attractive stocks that might well make a solid investment before silver kicks back with a vengeance.

But before we take a look at our top silver buys, let's consider the background to this often misunderstood metal.

We are living in a material world

Materials are hot right now, and that's a trend that's set to continue for the foreseeable future. Copper, nickel, and silver are looking set to have their time in the sun, while gold continues to punch its way through pretty much anything the stock market throws at it.

So, materials are solid. But what matters most to mineral investors is the comparative value of those materials — such as silver to gold. Do some homework on the silver/gold ratio (SGR) and you'll see that the SGR can fluctuate wildly due to silver's miniscule market size. Look a little deeper, and you'll see that, driven largely by an uptick in electronics production, a dulled silver is about to spike.

High-low silver, away!

The gold brigade will tell you endlessly how their precious commodity weathered the stock crash of 2008. But there is now a silver lining on the way after a stormy last few months on the TSX. Here are some of the most attractive silver stocks to line your portfolio with before silver starts to pick up.

Silvercorp Metals Inc. (TSX:SVM)(NYSE:SVM) is stable, has great assets (it's China's biggest silver miner, for one thing), and its management style is intelligent and progressive. It's had to struggle with production issues this past year, which has led to its stock being <u>nicely undervalued</u>. It's at the top of this list because it really does deserve your attention if you're interested in silver on the TSX.

Fortuna Silver Mines Inc. (TSX:FVI)(NYSE:FSM) recently reported an impressive year-over-year

silver production growth of 18%. Coupled with falling costs and a discounted share price, Fortuna should be part of your portfolio is you want in on the coming silver rush. An efficient management style should be something to look for in any stock, and Fortuna has it in spades. It's definitely a moderate to strong buy.

Sierra Metals Inc. (TSX:SMT) is a hungry materials company with mines in Peru and Mexico. Since it also deals in gold, copper, and other high-value materials, Sierra Metals is a fairly safe bet. Besides holding highly-productive Latin American mineral assets, its share price is also currently falling, so snap it up before silver surges later this year.

SSR Mining Inc. (TSX:SSRM)(NASDAQ:SSRM) has a strong acquisitions ethic, and its share price is still falling — two pretty good indicators that this might be a buy when you consider silver's current fortunes. What makes SSR Mining a safe bet is its assets, which are spread across Canada, the U.S., and Argentina and include a nicely profitable gold production operation.

Pan American Silver Corp. (TSX:PAAS)(NASDAQ:PAAS) makes this list purely by dint of being the second-biggest global silver miner. Huge assets diversified across North and South America make this probably the most stable silver buy out there. Boasting decent YTD share price gains of 13%, with earnings of \$0.31 per share in this year's first quarter, Pan American Silver is looking very attractive watermark right now.

The bottom line

A silver bull is about to rise. If you want in on this, the smart money is on undervalued stocks such as the ones listed above. Silver has a reputation for violent fluctuations. Coupled with a protracted dead-inthe-water performance and an increasing demand for electronics components, investors have a realistic opportunity to win big if they buy silver now.

CATEGORY

- 1. Investing
- 2. Metals and Mining Stocks

TICKERS GLOBAL

- 1. NASDAQ:SSRM (SSR Mining)
- 2. NYSE:FSM (Fortuna Silver Mines)
- 3. NYSE:PAAS (Pan American Silver)
- 4. TSX:FVI (Fortuna Silver Mines)
- 5. TSX:PAAS (Pan American Silver Corp.)
- 6. TSX:SMT (Sierra Metals Inc.)
- 7. TSX:SVM (Silvercorp Metals Inc.)

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