



## This Pure-Play Silver Stock Could Make You a Ton of Money

### Description

Should you buy overvalued stock? Ordinarily, no, because investors traditionally buy low and sell high. However, it can be worth buying richly priced stock – even richly priced stock with little or no forecast growth – if its sector is set to gain value exponentially.

Silver stocks definitely fall into this category right now. If you'd bought silver at the start of the year, then well done, because you're already set to cash in. But if you're late to the game, there is still time to invest in silver on the TSX, although the margin for profit is slightly narrower.

So, is it a good idea to buy silver stocks now? In a word, yes. The fact is that silver stocks, if you purchase them immediately, could make money down the line – and not too far down the line, either.

### Is this the one pure-play silver stock that could make you rich?

Buying silver is currently a solid investment strategy that not only banks on a precious metal with high demand and finite supplies, but also acts as [a proxy for tech investment](#). Given that both precious metals and the tech sector are looking up, this could be a double win if you want to invest in growth areas, but not necessarily in traditional growth stocks.

**Wheaton Precious Metals Corp.** (TSX:WMP)(NYSE:WMP) is a pure-play silver stock with a fantastic balance sheet. If you wanted to make money from silver stocks but don't know where to start, investing in silver streaming is a cautious way to expose yourself to the grey stuff – and potentially a more lucrative option than investing in traditional, but market-vulnerable, mining stocks.

Don't be put off by its overvaluation – even at \$28.73, Wheaton Precious Metals is still worth snapping up, because silver really does have the potential to soar higher than it ever has. Furthermore, Wheaton Precious Metals is the biggest pure-play silver streamer in the world and knows what it's doing.

If you're on the fence but looking at deep investment, you can watch for a dip and buy once it nears \$10 a share, or wait for it to hit its optimal price of around \$6; however, you might not see value like that inside of a year, or perhaps ever. The takeaway? Get off the fence.

## Don't blink or you'll miss out on profits

Given that Wheaton Precious Metals minimizes risk through streaming rather than directly mining and supplying silver, you're exposing yourself to precious metals without the overheads or operation-related vulnerabilities of a true mining stock.

With a dividend yield of 1.62%, it will make you money even if you don't sell high – and possibly in the interim while you're waiting to do just that.

Sometimes fundamentals don't tell you everything you need to know, and Wheaton Precious Metals' fundamentals might be off-putting on the face of it. But as some wise investor once said: The best time to buy is yesterday, and the second-best is today, but wait too long and you'll have missed out forever. So look deeper into the true worth of this stock – its geographical diversification, its sheer size on the world scale, the potential for its sole commodity to rocket in value – and don't read too much into its multiples.

A final note before we wrap up: Don't sell too early if you buy this stock and it hits a high share price down the road; sure, you can capitalize on quick gains by doing this, but you'll miss out on long-term profits. While there will be a high point on that arc, selling too early could make you miss out on a sizeable windfall.

## The bottom line

Banking on a [silver bull](#) is a smart way to make money from stocks in Canada right now. If silver streaming has caught your eye as a way to invest for retirement or a way to make money fast by investing (with that alacrity depending on how high and how far an uptick in silver prices goes), you may as well invest in the biggest. Right now that's Wheaton Precious Metals.

You can expect to see silver defy gravity in the future – it's a limited commodity in high demand, and that demand is only going to grow while supplies dwindle, pushing prices sky high – so buying a pure-play silver stock right now is a bold, brave, and potentially very lucrative investment.

## CATEGORY

1. Dividend Stocks
2. Investing
3. Metals and Mining Stocks

## TICKERS GLOBAL

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

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