



Metal Investors Should Buy This Silver Stock Before It Pops

Description

Every now and then, a stock comes along that has the potential to outstrip the whole of the TSX index. It could be a weed stock, an oil stock, or an outperforming tech stock. Today we'll take a look at a [silver stock](#) with the potential to reward traders with some serious upside. It may be going cheap at the moment, but let's take a look at why that might be about to change.

Great Panther Silver ([TSX:GPR](#))([NYSEMKT:GPL](#))

On the face of it, this small cap silver miner seems like a fairly pedestrian all-rounder: down 2.42% in the last five days at the time of writing, it's a neglected value opportunity, with decent stats. From 90-day returns of 27.4% to a five-year average past earnings growth of 33.7%, this miner with a market cap of \$331 million ticks a lot of boxes.

More shares have been bought than sold by Great Panther Mining insiders over the last three months, making for a strong play if peer confidence informs your trading decisions.

Trading at just over double its book value at writing, Great Panther Silver has no debt – talk about a clean balance sheet! But the biggest reason to buy is a very significant 139.7% expected annual growth in earnings, giving this silver stock the potential to massively reward traders down the line.

So far so good, but what about the competition?

With five-day gains of 1.35%, **Fortuna Silver Mines** ([TSX:FVI](#))([NYSE:FSM](#)) is somehow still a steal, with a P/E of 15.8 times earnings and P/B of 0.9 times book. A solid track record is shown by an overall five-year average past earnings growth of 58.9%, and while a 6% past-year return on equity could be better, a decent balance sheet is typified by a 13% comparative debt level that's within the safety zone, and well covered by operating cash flow.

Another of the TSX Index's top-notch silver miners, **Silvercorp Metals** ([TSX:SVM](#))(NYSE:SVM) is down 1.17% in the last five days at the time of writing, indicating a slight value opportunity.

[Silvercorp Metals](#) is a good all-rounder at the moment with a satisfying mix of stats: with five-year returns of 57.7%, it has the ability to reward with capital gains over the long term, while a small dividend yield of 0.99% acts as a sweetener.

A 6.3% expected annual growth in earnings doesn't hold a match to Great Panther Silver's outlook, though, and while arguably better value is indicated by a P/E of 10.7 times earnings and P/B of 1.3 times book, it should be noted that Silvercorp Metals insiders have only sold shares over the last three months, with some inside selling taking place across the past 12 months.

The bottom line

An estimated 27.4% returns over the next three months is a quick turnaround and a fairly lucrative play for a sharp-eyed momentum investor bullish on precious metals and cements the buy signal for Great Panther Silver, one of the best growth stock on the TSX index.

Fortuna Silver Mines' 21.7% expected annual growth in earnings doesn't compare in terms of outlook, though it still indicates a moderate buy in this space, though it beats the outlook for Silvercorp Metals.

CATEGORY

1. Investing
2. Metals and Mining Stocks

TICKERS GLOBAL

1. NYSE:FSM (Fortuna Silver Mines)
2. OTC:GPLD.F (Great Panther Mining)
3. TSX:FVI (Fortuna Silver Mines)
4. TSX:GPR (Great Panther Mining)
5. TSX:SVM (Silvercorp Metals Inc.)

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