



This Stock Just Gained 20% in 1 Month!

## Description

If you haven't considered investing in **Wheaton Precious Metals** ([TSX:WPM](#))([NYSE:WPM](#)) before, you might want to reconsider that view, as the stock is on an absolute tear this month with gains of 20%. Even better is the fact that the good times for the precious metals streamer may just be beginning.

## Streaming is good business

One of the first things that potential investors should take note of is that Wheaton is not a traditional miner, but rather a precious metals *streamer*.

This means that Wheaton provides upfront capital for the [traditional miners](#) to set up and begin operations. Once operational, the miner allows Wheaton to purchase a certain amount of the metals produced by the mine at a discounted rate.

By way of example, the current market rate for gold is near US\$1,400 per ounce, while silver trades at near US\$15 per ounce. The discounted rate I mentioned earlier can be as low as US\$400 per ounce for gold and US\$4.50 per ounce of silver.

Apart from the obvious market advantage noted above, streamers benefit from not being directly involved in the operation of the mine. This not only means that a streamer is less exposed to risk, but that the streamer can move on to the next mining opportunity while leaving the day-to-day operations to the traditional miner.

## Why Wheaton?

There are several key reasons to consider Wheaton that range from the company's diversified mix of streams to future opportunities.

In terms of streaming options, we often think only of gold and silver, and they constitute the bulk of

Wheaton's portfolio, but the company also has streams for both cobalt and palladium metals as well. Cobalt in particular is a uniquely rare element in high demand that can only be found in certain mines around the world, notably in the DR Congo, where safety and labour concerns are paramount.

Wheaton's cobalt stream stems from Voisey's Bay in Newfoundland and Labrador, which is set to begin streaming on January 1, 2021. In total, Wheaton has 19 operational mines scattered around the world and a further nine projects in various stages of development.

It's that diversification across different metals and mines that led the company to strip "Silver" from its name a few years ago.

Turning to results, Wheaton announced results for the first fiscal of 2019 last month that were instrumental in the recent surge in the stock price. In that quarter, Wheaton produced 93,585 ounces of gold, representing a 22% increase over the same quarter last year. The company also produced 5,614 ounces of silver, silver, which reflected a 24% decrease over the prior period. The decrease was attributed to the San Dimas silver stream as well as several others coming to a close.

## Should you buy Wheaton?

Precious metals have always been viewed as stores of wealth in times of uncertainty. A host of factors, from interest rates to political turmoil around trades and tariffs, has fueled a growing sense of fear in the market in recent weeks. Coincidentally, during that same time, we've seen a spike in gold prices.

Wheaton represents a unique way for investors to reap the benefits of the current gold market while [remaining diversified enough](#) to weather any temporary market volatility.

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1. Investing
2. Metals and Mining Stocks

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1. Editor's Choice

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