



2 High-Growth Silver Stocks That Could Double by 2020

Description

Silver has been a hot investment the last few months, as it starts to move similarly to gold. Silver, however, happens to be quite a bit more volatile. This presents a major opportunity for investors, especially as we move into an environment where some expect gold to outperform equities.

Looking back from 2009 to 2011, when quantitative easing was sending investors running for precious metals and gold began its massive run, it's immediately obvious that [silver](#) appreciated more than twice as fast.

Silver is still a precious metal, after all, and due to its intrinsic value, it will still be an adequate store of investors' wealth, even if it doesn't earn a massive return. If history has shown us anything though, it's that silver is just getting started, and investors who position themselves now will be the most rewarded.

Two silver miners that are poised to benefit from the bullish silver environment are **MAG Silver** ([TSX:MAG](#))(NYSE:MAG) and **Pan American Silver** ([TSX:PAAS](#))(NASDAQ:PAAS).

MAG Silver

MAG is a Canadian silver producer that primarily invests in silver-dominant projects in the Americas. It's a high-growth company that has already seen its stock rise 70% year to date.

MAG is a top-quality silver miner with a strong financial position. At the end of the second quarter, it had \$162 million in cash and no debt. Its top-quality nature is reflected when looking at the shareholder makeup. Institutions account for 89% of the ownership.

MAG's number one focus is in the Juanicipio joint venture, of which it owns 44%. The Juanicipio mine is one of the richest silver mines in the world, with estimates of silver reserves of roughly 145 million ounces. The mine allows for low-cost operations, which looks to be very promising for MAG.

With a market cap of \$1.5 billion, it is quite a bit smaller than Pan American, but it offers larger growth opportunities, if it can have solid execution on its target goals.

Pan American Silver

Pan American is a world-class leader in silver mining, that has been one of the best performers on the TSX this year. In the last three months, the stock is up nearly 75%.

It owns assets in Canada, Mexico, and South America. Since 2010, the company has returned \$431 million to shareholders through dividends and has spent \$527 million in expansionary capital. It currently has just \$363 million of total debt.

2019 guidance suggests the company expects to do around 27 million ounces of silver production and nearly 600,000 ounces of gold production. On a silver basis, the all-in sales cost is expected to be between \$7.75 and \$10.75.

It's done 52% of revenue in gold sales so far this year, with 26% of revenue coming from silver.

The company also completed its acquisition of Tahoe Resources earlier this year. It is now working to integrate Tahoe and find synergies. Tahoe was a medium-sized miner with gold and silver operations in Canada, Guatemala, and Peru.

It also has stakes in other metal mining and royalty companies as well as various other joint ventures.

Pan American has a market cap of \$5.1 billion and pays a small dividend that yields 0.75%.

Bottom line

Finding a top silver stock will be a great way for investors to take advantage of silver's rally, especially while uncertainty exists in the market and inflation risks weigh.

MAG will be a top stock if it can execute its strategy and become profitable, and Pan American is always a top play for investors to get exposure to silver with a margin of safety.

CATEGORY

1. Investing
2. Metals and Mining Stocks

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2. NYSEMKT:MAG (MAG Silver Corp.)
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Date

2025/06/30

Date Created

2019/08/31

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