



My Top Gold and Silver Stocks to Pick Up in October

Description

Gold and silver have established a solid price floor in the month of September, and there is good reason to believe that both have room to run in the latter months of 2019.

On September 18, the U.S. Federal Reserve cut interest rates by one quarter of a percent, marking the second rate cut of 2019.

North American indices were broadly down after the move. Gold and silver also took a hit as Fed officials were mum on what the path forward will be.

Markets have responded well to the dovish turn from central banks, but this demonstrates there is still anxiety about how long this softening period will last.

There is still considerable anxiety regarding ongoing United States-China trade talks. Central banks have shown that they are willing to use what monetary ammunition they have left to combat economic turbulence. I expect this bullish environment for precious metals to stretch into the New Year.

Today I want to look at my [top gold](#) and [silver stocks](#) that are worth a look in October. Let's jump in.

Kirkland Lake Gold

Kirkland Lake Gold (TSX:KL)(NYSE:KL) is a Toronto-based gold producer. Shares have surged 72% in 2019 as of mid-afternoon trading on September 18. Kirkland has consistently posted strong results over the past several quarters and is well positioned to thrive in a better price environment.

The spot price of gold was holding steady above the \$1,500 mark at the time of writing. Kirkland reported consolidated production of 214,593 ounces in the second quarter of 2019. Production year to date has climbed 43% year over year to 446,472 ounces. Investors can expect to see its next earnings release in November.

Kirkland is trading close to its 52-week highs, but has room to run as it is on track for another record

earnings year. The stock boasts a price-to-earnings ratio of 25, which is favourable given that Kirkland has yet to post earnings that realize the much-higher spot price from the summer.

Silvercorp Metals

Silvercorp Metals ([TSX:SVM](#))(NYSE:SVM) is a Vancouver-based silver miner. It is China's largest primary silver producer. Shares of Silvercorp have soared over 100% in 2019 at the time of this writing.

The spot price of silver enjoyed a huge rally in late August and early September, but it has since calmed down. Silver sank after the rate decision on September 18, likely in response to uncertainty that was causing volatility in the broader market. Still, Silvercorp remains one of the best silver mining stocks available on the **TSX**.

Ore production rose 9% year over year at Silvercorp in the first quarter of fiscal 2020. Revenue rose 1% to \$45.6 million on the back of improved metals sales, and net income increased to \$12.6 million or \$0.07 per share compared to \$10.9 million or \$0.06 per share in the prior year.

The company boasted a strong balance sheet at quarter's end, with \$121 million in cash and cash equivalents. Silver spot prices will need time to show they can hold the floor that gold has. If they do, Silvercorp is well positioned as a top silver mining equity.

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Author

aocallaghan

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