



## Buy Silver Stocks Now or You'll Regret It

### Description

One of the hottest assets the last week has been silver, and it appears that there's no slowing down. Silver stocks have followed suit of many gold stocks, up to 52-week highs just in the last week.

Since the start of the [coronavirus pandemic](#), it's been clear that precious metals would be an excellent investment. Not only would investors be seeking a safe haven, but with so much monetary stimulus and money created, naturally, these assets would see their intrinsic value rise.

I have consistently been recommending gold to investors; however, I have been recommending silver stocks as well.

### Silver and gold stocks

Gold is a precious metal that commonly known as a safe-haven asset. Investors flock to gold when there is pressure on the U.S. dollar, as gold tends to hold its value much better than the ever-depreciating dollar.

Silver is a lot like gold. Fewer people view it as a safe-haven asset and it has different uses, but the fundamentals of the two precious metals are very similar.

The stocks are very similar too. Mining stocks almost always move in the same direction as the underlying price of the asset they mine. Gold and silver stocks just do it with a lot more leverage.

Because these assets are so similar, they tend to move in the same direction as each other.

Gold almost always will be what rallies first with silver lagging behind. But when silver follows, it's usually a lot more volatile than gold. This makes silver stocks a huge opportunity for investors to grow their money, as you'll get a warning from the appreciation in gold, and then when the stocks do rally, it should be a more significant jump than gold.

One way to get an idea of the value is by looking at the gold to silver ratio. When gold starts

appreciating, the ratio will move up, usually signaling it's time for silver to have a major breakout. This creates a huge opportunity for investors who are ready and know what's coming next.

Since the market crash in March, we have seen gold prices increase considerably. But only now has silver started to follow suit, and it's doing so in a big way.

## Silver market

The silver market isn't quite the same as gold. Although it is used in jewelry and for investment purposes, it's one of the world's most reflective and best conductors of electricity, so it has several other uses.

Silver is extremely important for technology. Less than half of silver demanded is used for jewelry, coins and bars, or silverware. 55% of silver is used in industrial fabrication. Things such as solar panels, cameras as well as other electronics all require silver.

In fact, as the world continues to go green, silver is increasingly becoming more popular. In just the last 10 years, silver use in automobiles has jumped by more than 300%.

And for all these additional uses, there continues to be more silver consumed each year than there is mined. This is just another reason why silver stocks could be one of the best investments you make of 2020.

So how can you invest in silver soon before you miss out completely? Consider this top **TSX** silver stock.

## TSX silver stock

One of the best silver stocks to consider today is **First Majestic Silver Corp** ([TSX:FR](#))([NYSE:AG](#)).

I wrote about first majestic back on [April 30](#), when the stock was trading at just \$11.25. Since then, the stock has rallied rapidly and is now up by more than 70% in just the last three months.

First majestic operates strictly in Mexico, the largest silver-producing country in the world. 60% of its revenues come from silver, the highest percentage of any **TSX** stock. This gives it the best leverage to the rapidly growing silver prices.

The company has three operating mines and produces more than 11 million silver ounces a year. Its extremely low costs of production give it significant margins, which it's definitely taking advantage of at these high silver prices.

It's without a doubt the silver stock I would be buying today. Although most silver stocks should see exceptional performance this year, as the precious metal continues to reach multi-year highs.

### CATEGORY

1. Investing
2. Metals and Mining Stocks

## TICKERS GLOBAL

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