



4 Top TSX Stocks to Buy for a Silver Bull Market

Description

The outlook for silver is looking increasingly bright. This should be heartening for precious metals investors eyeing a retreat in gold. While a silver bull market is not quite raging, it's still in its preliminary stage. High-grade resources remain a limiting factor as demand grows, adding up to potentially higher prices. All of this makes now a good time to start scouting for shares in the best-positioned miners of the white metal.

Shining track records make for solid stocks

Kicking off the list, **Fortuna Silver Mines** has seen its earnings step up 200% in the last year. A healthy stock selling at fairly decent per-sector value, Fortuna shareholders can look to a strong track record for reassurance. A price to book of just under twice book undercuts the sector average of three times. A conservative estimate could see total returns of up to around 180% in the next five years.

A solid streaming option, **Wheaton Precious Metals** is stabilized by a diverse range of low-cost contracts focused on longevity. Of special interest to silver investors will be Wheaton's stream on **Newmont's** Peñasquito mine. A forward-looking mandate encompasses value purchases, growth potential, and payment of a dividend. This latter facet is characterized by a 1% to 1.2% yield with reassuringly low 41% payout ratio.

Moving briskly along, **Endeavour Silver** saw 100% earnings growth in last 12 months and could have more ahead. Five-year returns are expected to hit 200%. In the shorter term, 100% total shareholder returns could be forthcoming within 12 months. Value for money may not be the main draw here — P/E, PEG, and P/B ratios all exceed peer norms. That said, Endeavour's outlook is impressive, with an annual continuation of that 100% earnings growth predicted.

Mining quality stocks for upside

Investors on the lookout for share price gains have another strong option in **Silvercorp Metals** ([TSX:SVM](#))(NYSE:SVM). Fairly good per-peer value is demonstrated by a P/B of 2.5 times book,

undercutting the sector average of 2.9. A debt-free balance sheet somewhat ameliorates a somewhat dull outlook. However, this stock shakes out as a moderate buy for the general capital gains investor, with price targets suggesting up to 65%.

While [passive income](#) isn't always the defining factor for any commodities investment, it might also be worth noting that Silvercorp pays a small dividend yield of 0.4%. The reason why this is worth paying attention to is that the payout ratio is very low at just 11%. The company therefore has plenty of wiggle room if it decides to pad out that distribution. In the meantime, a [silver bull market](#) could see this name grow into a potential role as a momentum stock.

In summary, silver performed well in 2020, and expectations are high for the year ahead. From trough to peak, silver gained almost 140% last year. That's actually considerably stronger resilience than gold — much trumpeted last year — which gained around 40% by the same measurements. If a silver bull market switches up a gear from meandering to raging, shareholders could reasonably expect to clean up over the next 12 months.

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2. silver

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