



## 2 Silver Stocks That Could Erupt in 2021

### Description

Canada's inflation rate has hit an [18-year high](#) in the late summer and early fall of 2021. Interestingly, this has failed to generate momentum for gold and silver. Gold rose to an all-time high over US\$2,000/ounce in 2020. However, silver was unable to take advantage of the same surge. That does not mean investors should ignore the potential safe haven in late 2021. Today, I want to look at two silver stocks that could erupt if precious metals are able to regain their swagger in the weeks and months ahead.

### Here's why this silver stock is still one of my top options

**Silvercorp Metals** ([TSX:SVM](#))(NYSE:SVM) is a Vancouver-based company that is engaged in the acquisition, exploration, development, and mining of mineral properties in China and Mexico. Shares of this silver stock have plunged 42% in 2021 as of close on November 4. However, the stock is up 8.8% month over month. I'd [suggested](#) that investors look to scoop up Silvercorp back in September.

The company released its second-quarter fiscal 2022 results on October 14. Silver's spot price was trading just below the US\$24 mark at the time of this writing. It has rebounded nicely from the small rout the spot price suffered in late September.

In Q2 FY2022, the company saw its production increase to 1.7 million ounces of silver — up 15% from the previous year. Silvercorp is on track to meet its annual guidance for fiscal 2022. This drove revenue growth of 4% year over year to \$58.4 million. Meanwhile, cash flow from operations also rose 4% to \$30.9 million.

Shares of this silver stock possesses a [favourable](#) price-to-earnings (P/E) ratio of 17. Meanwhile, it offers a quarterly dividend of \$0.013 per share. This represents a modest 0.5% yield.

### Don't sleep on this undervalued stock in late 2021

**Fortuna Silver** ([TSX:FVI](#))(NYSE:FSM) is another Vancouver-based silver miner. This company is

engaged in the exploration, extraction, and processing of precious and base metal deposits in Latin America. Shares of this silver stock have dropped 48% in the year-to-date period. The stock has jumped 22% over the past month.

Investors can expect to see Fortuna's third-quarter 2021 results on November 12. In Q2 2021, the company achieved record sales of \$120 million — up 171% from the previous year. Fortuna was bolstered by higher gold and silver sales volumes as well as improved realized prices for all metals. It also received a boost from the sale of its Lindero mine.

The company reported adjusted net income of \$21.5 million — up from a \$5.1 million net loss in the second quarter of 2020. Meanwhile, adjusted EBITDA rose to \$54.9 million compared to \$9.4 million in the prior year. Mine operating income for the first six months of 2021 soared 371% to \$99.8 million. Moreover, adjusted EBITDA surged 356% to \$115 million.

This silver stock last had a P/E ratio of 12, putting Fortuna in attractive value territory. Fortuna is a stock that can continue to build momentum in the final two months of 2021.

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1. Investing
2. Metals and Mining Stocks

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3. TSX:SVM (Silvercorp Metals Inc.)

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## Date

2025/07/19

**Date Created**

2021/11/06

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