



Why Silver Stocks Went Gangbusters on Wednesday

Description

Silver stocks continued to see a boost this week, but it wasn't until Wednesday that shares went absolutely gangbusters when silver prices reached seven-week highs. A number of companies saw their share prices rise over 10%, as inflation worries continue to send investors to the metal.

What happened?

As earnings season creeps up, Canadian investors have been playing close attention to inflation. And their worries were realized on Wednesday when Statistics Canada announced a 4.8% increase in the annual rate of inflation in December. That's the largest increase since 1991.

This also comes as economists believe there will be a federal rate hike both in Canada and across the border in the United States. In fact, many believe it could go up by a quarter percentage as early as next week.

All this is happening while metals like silver and gold are seeing some [growth](#), including some early earnings coming in. Production is now back underway, with silver stocks like **Pan American Silver** announcing preliminary production results.

So what?

Pan American could be an early sign of improvement for silver stocks. And improvement it was. Silver production improved during 2020 and 2021, with more production heating up in its La Colorada mine.

Meanwhile, **First Majestic Silver** also had some great news come out yesterday, reporting a new quarterly record of silver [produced](#). Total production reached 8.6 million ounces, up 17% quarter over quarter.

This also comes after **Endeavour Silver** acquired the Pitarrilla Project to add to its silver production for the year as well. Endeavour was up 11% on Wednesday, with First Majestic up 12%, and Pan

American up 10%.

Now what?

It seems all this good news for silver stocks is being met well by investors seeking to hide out during a potential market pullback. After so much growth in the last two years, these investors may be getting fear get in the way of long-term profits.

Still, silver stocks like these could be a solid purchase for those seeking to fight back inflation. But I'd pay close attention. This could fuel silver stocks to the point of overvalued. And that could bite you back in the very near future.

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