

## Which Silver Stock Will Outperform in 2011?

Andrea Tse

01/06/11 - 08:01 AM EST

NEW YORK (TheStreet) -- This week, TheStreet canvasses numerous silver market analysts to determine the silver stocks they say they would buy during the expected silver price dips -- in the hope of later benefiting during silver-price spikes in 2011.



**Silver Wheaton(SLW), one of the more stable silver stocks, due to its unique and stable business model, was cited by many. "They don't have the risks of excavating and not finding anything," said Yu Dee Chang, Principal at ACE Investments. "Their costs are fixed. That's why their profit margin is also fixed. I like this as a more stable play."**

David Christie of Scotia Capital has a sector outperform rating and one-year, \$40 price target for the stock.

Pan American Silver(PAAS), meanwhile, could gather upside momentum and outperform silver moving forward, as management of this global silver producer insists in its ability to perform open pit mining in one of world's largest untapped silver deposits in the world. "They've had some questions about production growth and looks like there should be some resolution on that relating to the property in Argentina," observes TEAMX manager James Dailey.

Jefferies analyst Michael Dudas has a hold rating on Pan American Silver, praising the company for its 14 straight years of silver production growth owing to strong management.

Although its name does little to denote this, Goldcorp(GG) can also be a silver play poised to pop in 2011. "The name is one that people tend to think of it as gold, but it's in the top 20 of silver producers globally with about 13 million ounces a year," says Peter Sorrentino of Huntington Funds.

Morningstar analyst Min Tang-Varner recently raised her fair value estimate for Goldcorp by \$12 a share to \$48 after the company reported a 28% rise in revenue for the third quarter ended Sept. 30 compared with the year before.

Silver Standard's(SSRI) transition to production from exploration has inevitably led to challenges for the company; but its quality assets and new leadership are drawing the eyes of investors. "They're in the bridge period where they're moving from having been a very successful exploration company finding silver to now trying to ramp up the mines into production," says TEAMX's Dailey.

BMO analyst Andrew Kaip currently has a market perform rating on the stock.

As a pure play, small cap stock, Minefinders(MFN) could greatly benefit from a jump in silver prices, yet fall just as easily. That said, MineFinders is more of speculative play.

Minefinders, precious metals mining and exploration company, currently operates the multi-million ounce Dolores gold and silver mine in northern Mexico. In late 2010, Minefinders received credit approval from The Bank of Nova Scotia for the renewal of its existing US\$50 million revolving credit facility.

Coeur d'Alene Mines(CDE) holds the potential to rally in light of rising silver prices. Over the past few years, Coeur d'Alene was a no-show relative to the performance of its peers and silver. But the company started to perform in the second half of last year, gaining recognition for being one of the top producers in terms of silver output.

In light of all this, we now ask you: Which of the following silver mining stocks are you most bullish about for 2011? Take our poll below to discover the consensus of your fellow investors....

Past performance is not necessarily indicative of future results. The risk of loss in futures trading can be substantial no matter who is managing money. The opinion/comments of Yu-Dee Chang are not a recommendation or a solicitation to trade.