



Wheaton Precious Metals: Buy Before Others Do!

Investors tend to let their sentiment for a market or stock be influenced by short-term trends. Psychologically understandable, but not optimal for achieving above-average returns. We want to consciously expand our gold position in the Long-Term Portfolio during this market phase where other stocks may seem more attractive because the short-term trend is upward.

Nothing Happening: At this point, let's revisit some key points from last year's outlook for gold. In December 2020, it was stated: "As long as gold does not fall below \$1,680, gold owners can maintain their optimism and expect price increases. The overarching price target for the next few months remains around \$2,450, promising an upside potential of up to 30 percent in the most bullish case. Below \$1,680, the picture darkens, and there is a risk of a slide to around \$1,560. This support must hold, otherwise the entire bullish setup is in jeopardy. Medium-term investors should therefore keep an eye on this level. Even though there are currently no signs of such a movement, it should be noted that a drop below \$1,440 could lead to a sell-off, ultimately resulting in new multi-year lows and weighing on the chart for years to come." Basically, about ten months later, this analysis has (almost) not changed. Only the consolidation has progressed further on the price axis, making its end more likely.

The Beginning of a Major Rally: Mining stocks' performance depends on the price of the corresponding commodities. You have already seen our annual outlooks for gold and silver, indicating that a turnaround in these markets can take a long time. However, we are approaching the important resistance levels again. If the breakout succeeds, there is often a small rally first, followed by a tough consolidation. In this phase, the speculators and optimists are shaken off before a large and lasting upswing occurs, which ultimately ends in a massive rally driven by euphoria. Given the duration of the correction (since 2011), we are talking about a potential period of several years here.

Wheaton Continues to Show Strength: The quality and resilience of a company are particularly evident in difficult times. Let's talk about Barrick Gold again - the shares traded at around \$53 at the peak of the last gold bull market in 2011. At the low point of the correction, the stock fell by 89 percent, to \$6. Since then, the stock has recovered significantly but is again trading nearly 50 percent below the 2021 high and 65 percent below the all-time high, even though gold is not far from that level. In contrast, Wheaton, with what we call Relative Strength, marked a new all-time high last year and is now trading "only" 30 percent below it.

Gold as Hedge: An upturn in the gold market is by no means certain, partly because gold has visibly lost its allure due to the popularity of cryptocurrencies. However, gold assets could experience an upswing precisely when other stocks, affected by stagflationary tendencies, come under pressure. As a hedge, Wheaton thus plays an important role in the long-term portfolio.

Long-Term Portfolio: Wheaton Precious Metals

Wheaton In Our Stock Check:

Profit Growth:	Dependent on Precious Metal Prices	-
Debt:	Healthy Balance Sheet	+
P/E Ratio Evaluation:	High, but relatively cheap	-
Industry Outlook:	Dependent on Gold and Silver, Overall Good	+ -
Technical Analysis:	Remains Positive above \$16	+ -
Market Leader:	Yes, in the Streaming Market	+
Management Quality:	Top	+
Dividend Yield:	Decent in this Environment	+ -
Business Model:	Proven	+
Insider Buys/Sells:	No Anomalies	+

Wheaton in USD (10 years)



<https://www.wheatonpm.com/investors/default.aspx>

ISIN	CA9628791027
Current Price	\$43.11
Market Capitalization	\$19.21 billion
Profit Growth 2021e - 2023e	+10.1%
Dividend 2021e	\$0.56
Dividend Yield 2021e	1.3%
Earnings Per Share 2021e	\$1.40
P/E Ratio 2021e	30.5

Buy-Order

ISIN	CA9628791027
Transaction	Buy
Exchange	NYSE
Quantity	23
Current Price	\$43.11
Buy-Limit	\$44.20

Our conclusion: 6.5 out of 10 points are excellent for the precious metals sector. Commodity values will always depend on the market prices achieved, and, of course, dividends depend on them as well. However, these stocks show only a low correlation to the overall market, making them an important addition to the Long-Term Portfolio.