



Could Aphria Inc. or Aurora Cannabis Inc. Dethrone Canopy Growth Corp. as Canada's Favourite Marijuana Stock?

Description

Aphria Inc. (TSX:APH) has been soaring since its graduation to the TSX last month. The company now has a \$1.1 billion market cap and could pass **Canopy Growth Corp.** ([TSX:WEED](#)) with its \$1.74 billion market cap over the next few months.

There's no question Canopy stock has slowed down when compared to its peers such as Aphria and **Aurora Cannabis Inc.** (TSXV:ACB). Canopy is up approximately 10% since March 24, the date when Aphria moved to the TSX, while Aphria is up a whopping 35.3%, and Aurora Cannabis is up an astounding 44.3% over the same span.

In many of my [previous pieces](#) this year, I recommended Aurora Cannabis and Aphria over Canopy because of fundamental reasons and the scandal which suppressed the current upward rally being enjoyed by all marijuana stocks.

Don't get me wrong. Obtaining a 10% return in less than a month is still extraordinary! But let's not forget that Canopy got beaten up pretty badly following the class-action lawsuit that resulted from the tainted marijuana scandal, and the stock still hasn't fully rebounded from the correction that followed.

Sure, all marijuana stocks pulled back slightly, but it looks like investors have decided what their new favourite pot stock is. Over the short and medium term, I believe Canopy won't get as high as Aurora or Aphria. Both of these companies are firing on all cylinders and are very likely to give Canopy a run for its money.

Back in the day, Canopy was one of the only go-to pot stock for investors. It was the first to graduate to the TSX, and marijuana investors poured money in. But now we're likely to see more pot stocks suddenly popping up on the TSX, and there's even a marijuana ETF for those who want a small piece of all marijuana stocks.

There are more options for investors these days, and it's likely that original Canopy investors will jump ship to more interesting opportunities. The tainted marijuana scandal most likely accelerated this

phenomenon.

I still think Aphria and Aurora are better bets over the medium term, but Canopy is likely to get out of its funk and start soaring with a similar magnitude as these two pot powerhouses.

Although any investment in marijuana is risky, I think an investment in Canopy ups the amount of risk without raising the upside potential thanks to the scandal, which may result in more negative news down the road. Eventually, Canopy will become a “value” play in the marijuana industry, and by then, it’s likely that the magnitude of its returns will be more in line with those of its peers.

It’ll be very interesting to see what happens as we head closer to nationwide legalization. I believe all marijuana stocks could skyrocket further, but there’s also the possibility of all marijuana stocks crashing hard if any form of bad news is released in the press.

Marijuana stocks are still speculative plays, so you should be comfortable with headline risk and the stomach-churning amounts of volatility, because it’s pretty much guaranteed to happen over the next year.

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