

Buy Aurora Cannabis Inc. While it's Hungover

Description

If you're a marijuana investor, then you're probably wondering what you should do after the recent selloff in pot stocks. Many bearish pundits believe pot stocks could be headed for a further correction because valuations have gotten ahead of reality. But there are also bullish pundits who believe there could be a lot more upside once pot is legalized nationwide. It's truly a tug-of-war between bulls and bears, but one thing is certain: the easy profits have already been made, and the stakes have been raised.

I think pot stocks are speculative plays that could either leave investors in tears or bring them to euphoric, new highs. You definitely don't want to bet the family farm on such a speculative investment, but I think there's a substantial amount of upside if you don't mind the large amount of risk.

If you're comfortable with stomach-churning amounts of volatility, and you wouldn't panic if your investment lost half its value over the span of a week, then it might make sense to allocate a small chunk of your portfolio into pot stocks.

I'm a huge fan of **Aurora Cannabis Inc.** (TSX:ACB) and its "Aurora Sky" project: a massive 800,000 square foot hybrid greenhouse facility that will be larger than 16 football fields. The project is expected to roll out in iterations, but when everything is operational, an estimated 100,000 kilograms worth of dried marijuana will be produced.

Not only is the project massive, but the product yielded will be of high quality, and the cost of production will be lowered thanks to the technology built into the greenhouse. Aurora CEO Steve Dobler stated, "our objectives are very clear: to build the largest production capacity, with the highest production quality and the lowest production cost."

The management team spent a lot of time and effort investigating the optimal design concept for a gigantic marijuana production plant. Some innovative features of Aurora Sky include forced air bottom-fed positive facilities, anti-reflective diffusion glass technologies to reduce leaf shadows, full "seed-to-sale" tracking systems, and automated climate control.

That's just scratching the surface of what is truly the grow-op of the future, which makes use of a lot of

innovative technology that will optimize growing conditions, leading to improved cannabis health and an increased product yield.

Aurora Sky is an ambitious project, but if everything goes to plan, the completed greenhouse will make the company one of the lowest-cost mass producers of high-quality marijuana in the industry. The amount of investment required for the project is steep, but the long-term cost savings are huge.

If you're a long-term investor looking for a potential industry leader, then Aurora Cannabis could be your ticket to financial freedom.

Aurora Cannabis is a well-run company with terrific prospects, but keep in mind that the company is not immune to headline risks, which will affect all marijuana stocks alike.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:ACB (Aurora Cannabis)

PARTNER-FEEDS

- 1. Msn
- 2. Newscred
- 3. Yahoo CA

Category

Investing

Date 2025/08/26 Date Created 2017/05/01 Author joefrenette



default watermark