



Which Canadian Marijuana Play Is Your Best Bet?

Description

You may remember a few years ago when **Canopy Growth Corp.** ([TSX:WEED](#)) was the only suitable way to invest in the emerging marijuana market. Shares soared following Justin Trudeau's pro-weed attitude, and it sparked a Canadian green rush in the months that followed. Back then, you needed to go to the TSXV Exchange to get your marijuana fix, but today you've got options on the TSX and the TSXV. There's even the **Horizons Marijuana Life Sciences Index ETF** ([TSX:HMMJ](#)) if you're into instant diversification and elimination of single-stock risk.

If you've got the stomach for volatility and you're interested in making a move into marijuana stocks, then you've got quite a few options to consider today. Let's go through some of the larger-cap pot stocks to see which one is right for you.

Canopy Growth Corp.

Canopy was a solid choice for many investors, but a cloud of controversy followed the company following the acquisition of Mettrum Ltd. and its use of banned pesticides. Canopy has since moved on from the scandal, but many investors may still remember the issues that surrounded the company.

Canopy is a solid branding play that has fallen out of favour of late, but in terms of operational efficiency, there are better options out there.

Aphria Inc. (TSX:APH)(NASDAQ:APHQF)

Aphria is determined to invest in greenhouses that will allow it to have an extremely low cost per gram of dried marijuana. The company isn't signing celebrities to gain a "brand." Instead, the company is focused on growing organically in the most efficient way possible.

If you believe marijuana is just another commodity, then Aphria is a solid choice because the company is well positioned to be one of the most efficient producers over the next few years.

Aurora Cannabis Inc. (TSXV:ACB)

Aurora Cannabis has an 800,000-square-foot mega-facility that's being rolled out in phases. This facility uses innovative technologies to obtain high-quality crops at a relatively low cost.

The company has also taken steps to diversify away from marijuana production by purchasing a partial stake in a hemp and hemp-product-related company. Going forward, it's likely that more deals may be made to beef up the non-marijuana production part of the business.

Investors looking for ambitious growth prospects and exposure to hemp-based products should consider Aurora as their top pick.

MedReleaf Inc. (TSX:LEAF)

MedReleaf, one of the newest pot stocks to hit the TSX, prides itself on producing premium quality cannabis. The company has a massive seed bank comprised of over 15,000 seeds from around the world.

The company has expressed interest in the discovery of new strains for treating specific ailments. A strong R&D could patent new strains, so this could be the company's durable competitive advantage. If you're an investor looking for a pharma-like play, MedReleaf is a great choice.

Horizons Marijuana Life Sciences Index ETF

For those who want a little piece of all cannabis and cannabis-related businesses, then you can't go wrong with this ETF. It also provides exposure to companies located outside Canada for those seeking international exposure.

The management fee is 0.75%, which is on the high end for ETFs, but I believe it's worth the price to get the instant diversification.

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CATEGORY

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TICKERS GLOBAL

1. TSX:ACB (Aurora Cannabis)
2. TSX:HMMJ (Horizons Marijuana Life Sciences Index ETF)
3. TSX:WEED (Canopy Growth)

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