

Can Any Other Cannabis Stock Measure Up to Canopy Growth Corp. Right Now?

Description

Shares of **Canopy Growth Corp.** ([TSX:WEED](#)) have climbed a stunning 53.8% month over month as of close on November 1. The stock spiked on news that U.S. alcohol conglomerate **Constellation Brands, Inc.** ([NYSE:STZ](#)) had purchased a 10% stake in the company. Constellation will provide marketing support to Canopy as well as work on collaborative efforts to produce cannabis-infused drinks.

There is set to be a delay on the recreational use of edibles in Canada beyond the July 2018 deadline date. But the edible market is expected to be worth well into the billions once it gets rolling. Canopy has also made progress expanding into European markets, and it has been relatively unaffected by the **TMX Group Limited's** [review of cannabis stocks](#) as it has avoided crossing over into U.S. markets as of yet.

With all of this in mind, has Canopy established itself as the premier cannabis stock for Canadians?

Canopy is the largest Canadian cannabis producer by market cap on the TSX. Interestingly, the company had somewhat fallen out of favour in the spring and early summer. **Aphria Inc.** (TSX:APH) released fiscal fourth-quarter results in July in which it boasted extremely low production costs. I contrasted the two companies in a [July article](#).

The leadership at Canopy was adamant that it was focused on maintaining high inventories in preparation for the summer 2018 rollout. Months and a few big deals later, we can see that this strategy could be set to pay off huge.

Aphria was also hit hard by the report of the TMX review that emerged in mid-October. The company has investments in Arizona and Florida. According to regulators, companies that are in violation of U.S. federal law could be subject to de-listing. Though Aphria has shown promise with its own recent expansions as well as its low production costs, this is a risk that investors cannot ignore until they see a resolution.

For those concerned about adding Canopy near its all-time high, there is also **Aurora Cannabis Inc.** ([TSX:ACB](#)). The stock has climbed 12% since making its debut on the TSX in late July of this year. The company is currently constructing an 800,000-square-foot production facility at the Edmonton International Airport, which will be the largest such facility in the country. Known as Aurora Sky, the facility is expected to be able to boast production of 100,000 kilograms per year.

On October 27, Aurora Cannabis received a Health Canada licence to cultivate its 40,000-square-foot facility in Pointe-Claire, Quebec. The facility will produce dried cannabis for the Quebec market, which will be sold through a Crown corporation.

Aurora has also made inroads with an expansion into Europe with its acquisition of the German company Pedanios. Pedanios is the largest medical cannabis distributor in the European Union.

Aurora closed trading on November 1 at \$3.06. With its low price and massive production capacity, it is a very attractive buy for investors who are looking for a bargain in this industry.

CATEGORY

1. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:STZ (Constellation Brands Inc.)
2. TSX:ACB (Aurora Cannabis)
3. TSX:WEED (Canopy Growth)

PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

Category

1. Investing

Tags

1. Editor's Choice

Date

2025/07/05

Date Created

2017/11/02

Author

aocallaghan

default watermark

default watermark