



## Reviewing My Pick of the Month for October

### Description

On a monthly basis, contributors of the Motley Fool are asked to submit their top pick for the month ahead. With [October in the books](#), we can look back and evaluate what happened in the month for my top pick: **Aurora Cannabis Inc.** ([TSX:ACB](#)).

As the company is in a relatively new industry, shares of the marijuana grower do not pay a dividend; instead, the return is made up of only the change in price of the shares. With a closing price of \$2.78 for September, shares of Aurora had an incredible month in October, increasing by 9.7% to close the month at \$3.05. Earnings are expected to be released later this month.

The big news driver in the marijuana industry so far has been the announcement that **Constellation Brands, Inc.** ([NYSE:STZ](#)) is going to acquire a 9.9% stake in Canadian marijuana producer **Canopy Growth Corp.** ([TSX:WEED](#)) at a premium to (then) current market values.

With the news of an alcohol distributor entering the recreational marijuana industry (which is slated to become legal over the next year), the market sent all marijuana producers higher, including Aurora. There are two potential reasons for this. First, investors must realize that the legalization of marijuana in Canada is at the discretion of the federal government, which will allow Canadian producers to distribute nationally at one time.

The second thing (and the main catalyst) is the first-mover advantage that Canadian firms now possess, as they will have an established track record at distributing to an entire country. Presently, there are only certain U.S. states that have legalized the use of marijuana for recreational purposes, and full legalization will probably take much longer, as every state will be required to pass legislation.

As Canadian marijuana producers stand to benefit from the potential legalization of marijuana (south of the border), shares of companies such as **MedReleaf Corp.** ([TSX:LEAF](#)) and **Cronos Group Inc.** ([TSXV:MJN](#)), formerly called PharmaCan Capital Corp., have substantially increased in value on the news, as they could potentially be the next acquisition target of a bigger player wishing to enter this industry.

For investors seeking the next home run, potential may be waiting patiently not only in shares of

Aurorac, but potentially in shares of any Canadian marijuana producer, as the know-how and expertise of each of these companies could be unmatched by their U.S. counterparts.

Although the marijuana industry performed exceedingly well as a group, investors need not shy away from these names moving forward. With a significant amount of upside remaining, the [top pick for the month of November](#) for both me and fellow Fool writer Jason Phillips is Canopy Growth Corp.

## CATEGORY

1. Investing

## 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

## Date

2025/07/05

## Date Created

2017/11/07

## Author

ryangoldsman

default watermark

default watermark