



## This Explosive Market Could Propel These 2 Stocks for the Next Decade

### Description

The Canadian cannabis industry received some great news on June 7 as the Canadian senate pushed through a recreational legalization bill that will now head for final approval in the House of Commons. There have been a number of debates around the potential of the cannabis industry itself and whether the top producers will be able to justify current valuations. However, today I want to focus on another growing market.

That market is supplements, which has posted impressive growth over the past decade. Aging demographics across the developed world is great news for the industry and present huge opportunities for the two stocks we will cover today.

#### Jamieson Wellness Inc. ([TSX:JWEL](#))

Jamieson Wellness stock has climbed 13.7% in 2018 as of close on June 7. Shares are up 46.8% year over year. Leadership at Jamieson was [enthusiastic about its growth](#) prospects and specifically cited shifting demographics as one of the reasons it was so confident in its trajectory.

The London-based market research firm Technavio projected a 9% CAGR for the global sports nutrition market from 2017-2021. According to the World Health Organization around 1.7 million deaths are due to low consumption of fruits and vegetables worldwide. Increased awareness and health consciousness will propel the industry into the next decade.

Jamieson itself has posted positive earnings in successive quarters. In its first-quarter results, Jamieson reported that revenue rose 8% year-over-year to \$70.1 million and adjusted EBITDA climbed 11% to \$12.7 million. Adjusted net income soared 165.4% to \$5.8 million. The company also declared a quarterly dividend of \$0.08 per share, representing a 1.2% dividend yield.

#### Aurora Cannabis Inc. ([TSX:ACB](#))

Aurora Cannabis stock fell 1.53% on June 7. The aforementioned vote on recreational legalization should provide a boost to the top producers, but that is not what we will focus on today. Instead, we are going to take a look at the potential of the cannabidiol (CBD) oil market.

In the United States, there has been a significant rise in the demand for hemp and CBD products. Hemp Business Journal projected in early 2018 that the U.S. hemp industry will be worth \$1.8 billion by 2020. It also projected that the market for CBD had doubled in size over the past two years to equal \$200 million in 2018.

Aurora has generated a [good deal of buzz](#) over recent acquisitions, but some of its earlier moves are what concern us today.

Aurora commenced sales of ingestible cannabis oils called Aurora drops back in April of 2017. On May 15, Aurora announced that it had exercised its right under a private option agreement to purchase an additional 10.7 million shares of **Hempco Food and Fiber Inc.**, one of the biggest industrial producers of hemp and hemp products in the world. Aurora also has a joint venture with **Radient Technologies Inc.**, which should allow Aurora to expand its foray into CBD-based products and ramp up production on a large scale.

## CATEGORY

1. Investing

## TICKERS GLOBAL

1. TSX:ACB (Aurora Cannabis)
2. TSX:JWEL (Jamieson Wellness Inc.)

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1. Investing

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