

Is Canopy Growth Corp. (TSX:WEED) or Aurora Cannabis Inc. (TSX:ACB) the Top Marijuana Stock to Own Today?

Description

Volatility continues to be the name of the game in the marijuana sector, and investors are trying to decide which [cannabis stocks](#) are best positioned to become winners in this constantly evolving market.

Let's take a look at two of the top Canadian pot stocks to see if one deserves to be in your portfolio today.

Canopy Growth ([TSX:WEED](#))(NYSE:CGC)

Canopy Growth is widely viewed as the leader in the Canadian cannabis market, both for its medical marijuana reach and its potential opportunities in the upcoming launch of the recreational market.

The company took an aggressive approach to consolidating smaller players when valuations, in hindsight, were still reasonable.

This gave Canopy Growth important scale and branding as the medical marijuana market expands in Canada and continues to grow worldwide.

Canopy Growth also has an established presence in Europe, Australia, and South America, making it an attractive pick for investors who are looking beyond the Canadian border.

The big story supporting marijuana stock valuations is the anticipation of a major consumables and brand market. Canopy Growth was the first company to partner with an international beverage company when it sold a 9.9% stake to U.S.-based **Constellation Brands**, a global beer and spirits company.

Constellation Brands increased its investment by \$5 billion in August to take a 38% position in Canopy Growth as it has become more confident in the upcoming opportunity to market cannabis-infused beverages in Canada, and eventually in other countries when regulations change.

The Constellation Brands commitment gave Canopy a leg up in the sector, as it helped convince larger investors that the cannabis sector deserves to be on their radar.

The stock was under pressure before Constellation Brands announced its second investment in the company. Since then, Canopy Growth has enjoyed a nice rally. The ticker currently trades at \$66 per share, up more than 100% since August the 14 close.

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

Aurora Cannabis was under pressure for most of 2018, with the stock falling from the January high of about \$15 to \$5.34 in the middle of August. The Canopy Growth and Constellation Brands deal put a tailwind behind the entire sector, and Aurora Cannabis enjoyed a nice upswing.

The rally has continued, especially after a report came out that Aurora Cannabis was in talks with **Coca-Cola**. No agreement has been announced, but investors are still pushing the stock higher.

A deal would help bring Aurora Cannabis back into the game on the consumables side, where it is perceived as being left behind by Canopy Growth and **HEXO**, which has announced a joint venture agreement with **Molson Coors Canada**.

Aurora Cannabis is also planning to list its stock on one of the major U.S. exchanges next month.

Aurora Cannabis isn't afraid to swing for the fence, as investors saw with the acquisitions of CanniMed and MedReleaf this year in deals worth \$3.5 billion. The takeovers vaulted Aurora Cannabis to the top of the medical marijuana ladder, giving it the scale it needs to compete with Canopy Growth as the recreational market is about to open.

Is one a better bet?

Investors should tread carefully with any of the marijuana stocks today, given the massive rallies that have occurred over the past month. That said, Canopy Growth and Aurora Cannabis should be long-term survivors.

If you are determined to get some exposure to the sector today, I would probably make Canopy Growth the first pick among the two stocks. At some point, Constellation Brands could decide to take majority stake in the company, a prospect that should provide some reasonable support on the downside.

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2. TSX:ACB (Aurora Cannabis)
3. TSX:WEED (Canopy Growth)

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