



Will Listing on the NYSE Send Aurora Cannabis Inc (TSX:ACB) Stock Soaring?

Description

Aurora Cannabis ([TSX:ACB](#))(NYSE:ACB) started listing on the NYSE this week under the ticker symbol ACB. And with the ability to reach more investors, that could help the stock hit new heights.

Or could it?

When rival **Canopy Growth** [listed on the NYSE](#) back in May, it didn't get a big boost as a result of it, and you could argue it may have actually put downward pressure on the price. By listing on the exchange, the stock becomes accessible to more investors, but that also means more short sellers.

More price-conscious investors might be inclined to short pot stocks given their high valuations, so there's no guarantee that just being on a big exchange like the NYSE will work out well, whether it's Aurora, Canopy Growth, or any other stock.

The challenge with marijuana stocks is discerning the reason for a big shift in price, as there are many factors that could impact their valuations. When **PepsiCo** said it [didn't have plans for cannabis](#) in its future, that was troublesome enough to lead to a lot of bearish activity among the industry's stocks, and yet it shouldn't have had any significant impact at all.

Pot stocks are a fickle bunch, and any bad news relating to them could wreak havoc on their stock prices.

Why listing on the exchange is good for Aurora

By trading on the NYSE, Aurora adds some legitimacy to itself and to the industry as a whole. It shows that the company can meet the exchange's required listing requirements and that it has the confidence of being front and centre by trading on the most popular exchange in the world.

Aurora doesn't need to do this for funding, as it is routinely one of the most heavily traded stocks on the TSX, and so getting investors is not a problem. However, for some big investors that may not choose to invest in the Canadian exchanges, it does help Aurora extend its reach to a much bigger pool of investors.

Especially given how poorly the TSX has performed in recent years, some investors may simply view the NYSE as a safer option.

Why listing on the exchange is bad for Aurora

By listing on the NYSE, Aurora will face more scrutiny and receive even more attention than it has thus far. While some could argue that given the industry and its position as a market leader, Aurora was already under a big spotlight, this will only add to that as more analysts will be following earnings and the company's performance overall.

Bottom line

Investors shouldn't expect a big bump or drop in price from listing on the exchange. If U.S. investors wanted to invest in the popular cannabis stock, then they could have easily bought shares on the TSX. With so many factors affecting pot stocks, listing on the NYSE is going to pale in comparison.

However, what it may do is amplify the movements and make the stock even more volatile. With more trading, there's a potential that the swings could be bigger and deeper. And while that could mean more of an opportunity to benefit from the fluctuations in price, it also could mean a lot more risk for investors.

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Author

djagielski

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