



Aphria Inc (TSX:APHA) Is Now on the NYSE: Here's What to Expect

Description

Canada's cannabis industry has global ambitions. That's the takeaway from the past two weeks, which have seen a number of cannabis manufacturers either list or plan to list their shares on the NYSE. Shortly after legalization, **Aurora Cannabis** became the third major manufacturer to dual list on the TSX and NYSE. And last week, **Aphria** (TSX:APHA)(NYSE:APHA) became the fourth.

Aphria announced last month that it was planning to list its shares on the NYSE. On October 30, the date was set, and it was announced that Aphria would begin trading on the exchange as "APHA." The move came after a turbulent time for the company, which has struggled with cannabis supply shortages and tanking shares. According to many sources, cannabis companies are looking to U.S. listings to increase trading volume and raise their profile in the U.S. Not only can listing in the U.S. result in more people buying shares, it can also bring liquidity into a company should they choose to issue new ones.

The question is, will it work in Aphria's case? First, we need to look at the effect it will have on trading volume.

Increased trading volume likely

Most likely, listing on the NYSE will increase Aphria's trading volume. In general, dual listing tends to increase the number of people trading a given share. Although U.S. investors can easily buy TSX shares, currency issues tend to discourage it. So, when a Canadian company lists in the U.S. it usually gets somewhat more popular. For example, when **Cronos Group** listed on the NASDAQ, it had [three times](#) the trading volume on that exchange than it had on the TSX.

Price uptick far from guaranteed

Despite the fact that dual listing will likely increase Aphria's volume, it will not *necessarily* increase its share price. When Aurora Cannabis listed on the NYSE, for example, its shares [actually slid 9%](#). Although increased trading volume resulting from dual listing usually generates higher prices in the short term, it doesn't have to be the case, especially if traders are shorting or simply bidding low.

A possible acquisition?

One final reason that Aphria may have chosen to list on the NYSE is to make itself a more attractive acquisition target. It's well known that **Altria Group** has considered acquiring a stake in Aphria, and moving to trade on the NYSE may be Aphria's bid to court other investors. Listing on the NYSE can increase a company's profile in the U.S. and make U.S. conglomerates more aware of it. Naturally, this can result in a company getting more M&A interest from U.S. firms. It can also result in other benefits like better access to loans, venture capital, industry connections, and more.

Whether these benefits will flow freely to Aphria remains to be seen. But one thing is certain: the company is aiming for the big leagues.

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