



Top Reasons to Stick With Aurora Cannabis (TSX:ACB)

Description

The listing of **Aurora Cannabis** ([TSX:ACB](#))(NYSE:ACB) on Wall Street last October was merely preparation for something grand. The company wasn't expecting share prices to astronomically rise, as it wasn't a typical IPO roadshow. However, it gives institutional investors the option of investing in the Canadian or American stock exchanges.

Aurora is after a bigger slice of the legal cannabis pie whose estimated value is about USD \$5 billion. However, recent events showed a different story versus the original script envisioned by marijuana companies. Instead of soaring after October 17, the market sell-off drove the cannabis stocks lower. Fortunately, November is exhibiting hope.

The Writing on the wall

The [pullback of cannabis stocks](#) appears short-lived given some interesting developments. Aurora's stock price was at \$8.79 on the November 1, then climbed +13.08% to \$9.94 as of November 8. That sudden climb was partly due to the results of the U.S. midterm elections and the firing of the U.S. Attorney General Jeff Sessions.

Both events meant [good news for Canadian pot companies](#). Sessions was seen as a major roadblock because he was cracking down on the possession and/or use of the marijuana in the U.S. states where it's legal whether for medical or recreational use.

The business opportunities for Aurora are limitless, and the potential windfall is staggering outside of the Canadian market. If more U.S. states will fully legalize marijuana, the medical and adult-use market in America would mean billion dollars of sales. That's a major obstacle hindering the breakthrough of Aurora.

The soon-to-be largest producer in Canada

The company's presence in 18 markets across several continents is already a built-in advantage. Again, if more European countries would legalize medical and recreational marijuana, then Aurora can cement its foothold in the cannabis industry at large.

As things currently stand, Aurora Cannabis has been unrelenting and resolute. Market observers believe the company will soon be Canada's largest producer. The acquisition of CanniMed in January boosted not only the production capacity, but R&D capability as well. The takeover of MedReleaf also brought in a larger client base.

In the end, the battle will be won on production capacity. Aurora can easily produce 570,000 kilograms with the assets the company now holds. Aurora made another smart move aimed at capturing the South American market. The acquisition of ICC Labs can further boost production capacity to as much as 700,000 kilograms in two years' time.

Aurora will be everywhere

Aurora will definitely be a household name in the Canadian market. But the primary objective is to be present anywhere in the world. The company knows that the bigger growth opportunities are in the international markets, which is precisely the reason for the increased investment spending and infrastructure build-up.

Genuine cannabis investors who believe in the promise of the lucrative industry should exercise patience. Aurora Cannabis will no doubt be a dominant player, particularly in the global medical marijuana market.

Weak demand and costs outpacing sales are the only possible risks. Volatility is inevitable too, but Aurora is equipped to overcome. As a long-term prospect, the stock is a worthy buy.

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Date

2025/08/27

Date Created

2018/11/14

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