



The 1 Cannabis Stock to Watch in 2019

Description

The enthusiasm of investors in cannabis in 2018 matched the excitement over the rise of the information technology sector. Big tech stocks powered the longest bull run in stock market history. Prior to the effectivity of the Cannabis Act, nearly all cannabis stocks raced to new highs, including **Aurora Cannabis** ([TSX:ACB](#))(NYSE:ACB).

But cannabis investors were mostly disappointed. What they saw was a cycle of price surges followed by sharp declines. It leaves a general impression that is the characteristic of the cannabis market. Volatility is a trademark that frightens investors. Even so, the evolution of the cannabis industry will definitely continue next year.

Will the cannabis sector finally deliver in 2019?

In the coming year, investors are expecting nothing short of spectacular growth in the cannabis sector. The major cannabis players are expected to deliver results more than anything.

There is also the possibility that a number of Canadian cannabis stocks may not rise at all. Many of the lesser-known names rose because of the hype surrounding the sector. But for the potential industry leaders, the strategic preparations and enormous capital expenditure should start paying off.

More mergers and acquisitions will happen to align the sector with the global landscape. The lucrative medical marijuana market will be one of the major focuses. New trends and products such as CBD-infused beverages and edibles, among others, are predicted to boost the cannabis market. But how prepared is Aurora Cannabis in 2019?

The makings of a cannabis powerhouse

Investors were painfully shocked and awed to see the momentum dissipate in an instant. Identifying which among the major players is the quality stock became more of a maddening exercise. It was a guessing game to some. Aurora Cannabis evoked special interest, but investors are questioning if it's a

worthy purchase.

Let's cut to the chase and state [why Aurora Cannabis deserves serious consideration](#). The tailwind is the projected 570,000 kilograms production yield in 2019 and potentially 700,000 kilograms in less than five years.

Also, Aurora expensed out US\$700 million to invest in other marijuana firms, build huge production facilities, and strike strategic partnerships for international expansion.

As of December 18, the shares of Aurora Cannabis are \$7.44, which is almost the same price they were one year ago. It was [a roller-coaster ride](#) just the same in between those dates. The highest closing in 2018 was \$15.07 posted on October 15. Aurora was beginning to roll after the NYSE listing but lost all positive momentum due to the market sell-offs.

But with the cash cows the company possess, Aurora Cannabis could easily regain momentum. The price could quickly double once the market stabilizes next year. Actually, there's no need to switch to a hard sell mode when it comes to Aurora Cannabis.

The indications are clear that this stock has the makings of a cannabis dynamo. Aurora Cannabis is ready to outperform industry peers in 2019 and beyond. Investors need not look elsewhere for a quality cannabis stock.

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