



Why Aurora Cannabis (TSX:ACB) Is the Best Marijuana Stock to Buy This Year

Description

It's definitely no secret that marijuana investors had a rough 2018. That's why those still in the market were practically jumping for joy in December when the United States [passed the Farm Bill](#). The bill gives farmers permission to start growing hemp, which means they can also start selling hemp-derived cannabidiol (CBD).

This is fantastic news for marijuana companies, but leading the charge is **Aurora Cannabis** ([TSX:ACB](#))(NYSE:ACB). While Aurora is down about 50% compared to its highest prices in the summer, it remains as one of the top marijuana producers. And while you could argue other producers are bigger, Aurora will definitely be the one to see some big gains with this new bill.

Medicinal move

While other top marijuana producers have focused on recreational marijuana, Aurora has been outspoken on the fact that it is the leading medical marijuana producer in the market. And it's only the beginning.

Now that the United States has opened the gates to at least some type of marijuana, Aurora will be taking advantage this year of the new market space.

Aurora has already been setting itself up to pump out even more pot. Right now, the company can produce about 70,000 kilograms of cannabis per year, but that number is set to sky rocket to 700,000 kilograms after Aurora acquired MED Colombia and ICC Labs in Latin America.

While it'll take a while to reach that point, it's definitely on track to that goal. The company believes it'll double its production to 150,000 kilograms by the end of 2019 and hit 500,000 kilograms in 2020. Given the deals it's been making in the past year, Aurora has the capacity to easily become the largest marijuana producer in the world.

Going global

It's not just the United States that has Aurora excited. The company has already expanded into Europe and Latin America, but with Mexico allowing the use of marijuana for medicinal purposes in 2017, Aurora jumped on that train, too. The company recently acquired all outstanding shares of Mexico's Farmacias Magistrales, a medical marijuana producer distributing to 80,000 retailers and 500 pharmacies and hospitals in Mexico.

But it really will be the United States that gives Aurora the boost it needs to get out of this slump. Beyond the Farm Bill, 32 states have now legalized medical marijuana.

Buy? Sell? Hold?

So, here's the issue: while it's my opinion that Aurora is a buy right now, if you're looking for some quick money, you're not going to get it. Aurora is in a set-up phase at the moment, acquiring businesses and property and inventing new products almost constantly.

But until Aurora can show investors that all this investment is paying off, [analysts are a bit wary](#). Shares in the stock are about 55% down from 52-week highs at the time of writing this article. That's a good and bad thing, depending on how you look at it. It's bad, because analysts don't believe the stock will see much movement upwards at least any time soon. It's good, because that means the stock is at a discount.

How much of a discount is hard to say. Predictions range from \$9 to \$18 for the end of 2019. So, with that in mind, I wouldn't rush to buy this stock, but definitely keep it on your watch list and maybe reconsider it at the next quarterly earnings release on February 14.

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Date

2025/08/26
Date Created
2019/01/12
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