



## Better Buy: Canopy Growth (TSX:WEED) or Aurora Cannabis (TSX:ACB)?

### Description

For investors, it's really tough to know when a stock has reached its peak and when it's bottomed out. For that same reason, it's not easy to pick a marijuana stock when some players are doing so well and others are lagging behind.

But if you have a long-term perspective, this decision becomes much easier. Let's take a deeper look at **Aurora Cannabis** ([TSX:ACB](#))(NYSE:ACB) and **Canopy Growth Corp.** ([TSX:WEED](#)) (NYSE:CGC) — the two biggest marijuana stocks — to analyze their business potential and long-term value.

### Canopy Growth

[Canopy Growth](#) is one of the few weed stocks with a solid foundation to grow its business and reward investors in the long run.

Canopy's market size, capacity to ramp up production and diversity of product offerings make it a much stronger player. The company currently operates weed-growing facilities with over 2.4 million square feet of space.

But the producer has been expanding its operations quickly, which will deliver the potential to manage more than five million square feet of production space by next year. In the latest development, [Canopy Growth](#) acquired a hemp licence in New York State, as it plans to build an extraction and manufacturing facility.

One of the largest alcoholic beverage giants, **Constellation Brands**, last year raised its stake in the company to USD\$4 billion, acquiring a nearly 40% stake in Canopy. Helped by these positive developments, Canopy Growth has surged more than 60% this year, outperforming its peers massively.

### Aurora Cannabis

[Aurora Cannabis](#) has been in the headlines during the past one year due to its massive deal activity. The company bought MedReleaf Corp. and CanniMed Therapeutics last year, consolidating Aurora's market position in the medical segment.

Aurora operates in 21 countries with a strong presence in the European Union. It expects its global medical cannabis business to accelerate significantly in the coming years. Aurora shares jumped more than 7% today after the company announced that billionaire investor Nelson Peltz is joining the company as a strategic adviser.

Peltz, whose New York-based **Triam Fund Management LP** has more than \$10 billion under management, will advise Aurora on "potential partnerships with leading corporations," the company said in a statement today.

"Nelson is a globally recognized business visionary with a strong track record of constructive engagement to generate accelerated, profitable growth and shareholder value across many verticals of great interest to us," Aurora Chief Executive Officer Terry Booth said in the statement.

## Bottom line

Both Canopy and Aurora are two top pot stocks that you can consider to keep in your portfolio. No doubt Canopy has had a very powerful rally in 2019 after posting 60% gains, but I still believe there is a further upside if the company continues on its growth path.

Aurora, on the other hand, has a much bigger short-term upside potential as the company looks for a strategic partnership with a top consumer brand. You can divide your investment equally between these two names to hedge your bets.

## CATEGORY

1. Cannabis Stocks
2. Investing

## TICKERS GLOBAL

1. NASDAQ:ACB (Aurora Cannabis)
2. NASDAQ:CGC (Canopy Growth)
3. NYSE:STZ (Constellation Brands Inc.)
4. TSX:ACB (Aurora Cannabis)
5. TSX:WEED (Canopy Growth)

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