



Why Aurora Cannabis Inc (TSX:ACB) Stock Rose 14% This Past Week

Description

This past week, **Aurora Cannabis** ([TSX:ACB](#))(NYSE:ACB) shares went on a minor rally, starting off Monday at \$10.54 and reaching \$12.02 by the middle of Friday. Although the week was a good one for the TSX in general, Aurora rose more than other stocks in the same period. Aurora particularly trounced **Canopy Growth**, rising 14%, while the latter actually fell about 0.84%.

These past seven days have been great for Aurora and its investors. The question is, why? It's been many weeks since Aurora published its last quarterly report, which means investors have had no new financial data from the company to chew on. However, there have been many positive news stories in the past week that may have driven bullish sentiment toward Aurora. We can start with one of the most prominent.

A billionaire advisor

One of the biggest stories from Aurora this past week was the company's appointment of [U.S. billionaire Nelson Peltz](#) as strategic advisor. Peltz is the founder of Trian Fund Management LP, a firm that generally takes an active role in guiding and advising the companies it invests in. As part of his appointment, Peltz was given the option to purchase up to 20 million Aurora shares at \$10.37 per share. Aurora shares spiked on the news, which was the most likely reason for this week's gains.

Retail plans revealed

Another major story out of Aurora was the announcement that the company has been investing in its retail strategy.

Currently, Canopy is the leader of the cannabis retail pack, with its own Tweed-branded stores that opened the day legalization hit. Other cannabis vendors are more reliant on third-party stores, so beefing up their own retail presence will be key to competing with Canopy.

Aurora has finally revealed its approach to this challenge. By investing \$28 million in Choom Holdings,

the company has rapidly acquired a stake in one of Canada's largest retail cannabis networks. This may benefit the company by helping it move more cannabis faster, in a market plagued by [supply shortages](#) and sold-out stores.

A rising international footprint

A final big story out of Aurora this past week was that the company grew its international footprint with its first commercial export to the U.K. Canadian cannabis growers have long had relationships in countries like Germany, Jamaica, and New Zealand. So far, however, markets like the U.S. and the U.K. have proven harder to crack. By making its first commercial shipment to the U.K., Aurora has proven that it is making headway in markets that were previously inaccessible to Canada's cannabis players, which bodes well for its future growth prospects.

Foolish takeaway on Aurora Cannabis

Aurora Cannabis has long been the number two Canadian cannabis producer, having actually eclipsed Canopy by revenue two quarters back. Its most recent quarter was a bit of a disappointment in net income terms, but revenue growth continued at a dizzying pace. This week we've seen solid evidence that Aurora is still investing massively in future growth. Should these investments pay off, there's no telling what the future could hold for this company.

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andrewbutton

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