



## 3 Marijuana Stocks to Consider Buying in April

### Description

Heading into April, the marijuana industry is once again on the rise. After a terrible end to 2018, Canada's pot stocks are going up, with many of them approaching last year's highs. Following encouraging Q3 results from **Canopy**, there's a renewed sense of optimism about the marijuana industry. This time, however, it's not necessarily Canopy that's stealing the spotlight.

If you're looking to add some marijuana stocks to your portfolio in April, the following three rising stars could make excellent picks.

### Aurora Cannabis ([TSX:ACB](#))(NYSE:ACB)

Aurora Cannabis has been getting a lot of press this month. After rolling out its retail strategy, naming [billionaire Nelson Peltz](#) as an advisor, and rising 36% in the markets, it's been on a major winning streak.

The latest data out of Aurora compares unfavourably to Canopy's glowing Q3 report. Whereas Canopy posted \$73 million in earnings, Aurora swung back from a big profit to a massive loss. However, marijuana companies' earnings are often influenced by fair-value appraisals and financing factors more so than operational results, so the disparity needn't necessarily mean much.

In the meantime, Aurora has completed a major acquisition that will dramatically increase its retail pipeline, providing a missing link that could help it compete with Canopy.

### CannTrust Holdings ([TSX:TRST](#))(NYSE:CTST)

CannTrust has long been one of the [more profitable marijuana companies](#), owing to its lean operations and relative lack of acquisition hunger. It's also been one of the biggest risers in its industry, up 79% year to date. At a time when most marijuana stocks are dizzyingly expensive, CannTrust trades at just 70 times earnings (that's high for most stocks but low for a high-growth stock like this one).

## Cronos Group ([TSX:CRON](#))([NASDAQ:CRON](#))

So far in 2019, Cronos Group's stock has more than doubled, making it one of the bigger marijuana risers this year. It's not hard to see why this stock is on fire. After receiving a \$1.8 billion investment from **Altria**, the company arguably has more "smart money" backing than any marijuana producer that's not Canopy.

On top of that, Cronos Group has one of the better profitability histories among marijuana stocks. Although it's not consistently net and operationally profitable like CannTrust, its earnings history has a number of profitable quarters — a milestone that not every marijuana company has achieved.

Analyst sentiment toward Cronos group is pretty negative at the moment, with an average target price of \$20.30 (the stock trades for \$21.70 as of this writing). Analysts point to a high valuation as a point of concern, as the stock trades at about 80 times EBITDA estimates. Cronos is indeed an expensive stock. However, high P/E ratios never stopped marijuana stocks from rising before. As these stocks are mostly speculative sentiment plays, it might be better to use growth figures when picking stocks in the pot industry.

### CATEGORY

1. Cannabis Stocks
2. Investing

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1. Cannabis
2. Editor's Choice

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2. NASDAQ:CRON (Cronos Group)
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