



Is Aurora Cannabis Inc. (TSX:ACB) Now the Top Canadian Pot Stock to Own?

Description

Aurora Cannabis ([TSX:ACB](#))(NYSE:ACB) stock fell 1.92% on March 21. Shares have climbed 88.5% in 2019 so far. However, the stock is only up 26% from the prior year. Aurora stock reached an all-time high of \$16.24 in the days before recreational cannabis was legalized. Like most of its peers, it was hit with major turbulence in the final third of 2018.

Back in March I'd discussed whether Aurora was an [undervalued play](#) in the cannabis sector. Compared to its competitors, Aurora's gains had been modest to start the year. Despite this, there was a lot to like about a company that had positioned itself to be a monster producer going forward.

In February, the company released its fiscal 2019 second-quarter results. Aurora exceeded analyst estimates and reported \$62 million in revenue for Q2 2019, which represented a 430% increase from the prior year. Kilograms produced rose 550% and kilograms sold increased 502%. Aurora expects revenue to experience significant growth as it aggressively ramps up its production.

Aurora announced that sales and operations had expanded to 23 countries at the end of Q2 2019. CEO Terry Booth has said that keeping up with overseas demand will be Aurora's biggest challenge going forward; this is a great problem to have.

Aurora stock received its biggest boost when it announced that billionaire investor Nelson Peltz would be brought on as a strategic advisor. Peltz has experience with the fast food giant **Wendys Co.**, having served as its non-executive chairman. He also served as director at Kraft Heinz Company. Aurora hopes that his experience with these large companies will help lure partners in large consumer packaged goods.

As of this writing, Aurora stock had an RSI of 69, putting it just outside of overbought territory. However, Aurora's year-over-year performance has been a lot more muted than its competitors. A big splash or two will bring more legitimacy to Aurora, which has still suffered from skepticism because of its aggressive expansion to start out. If it can pair its elite production capacity with top-flight partners, it will be worthwhile to readjust its growth expectations.

Back in January, I'd recommended Aurora as one of my top stocks for a future-oriented TFSA. The

company looks like it will be a [mainstay](#) in the international cannabis industry. Shareholders will be able to enjoy the ride, but they should temper their expectations rather than expect the kind of growth we have seen for cannabis stocks since the liberals announced plans to legalize.

Crowning Aurora as the top pot stock may be a stretch, but it looks like it still has a lot of room to run if we take other stocks in the sector as an example. After this hire, Aurora is now well positioned to strike up major strategic partnerships before the year ends. The stock has a great chance to blow past its all-time highs before 2019 concludes.

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