



These Cannabis and Lithium Stocks Are High-Octane Portfolio Fuel

Description

Two high-performance areas of the TSX index seem to go hand in hand at the moment: metals and marijuana. While gold may have caught the eye of high-growth traders, lithium's potential for upside should not be ignored. Therefore, let's take a look at the data for one big Canadian lithium miner alongside some turbo-charged [cannabis stocks](#).

Lithium Americas ([TSX:LAC](#))([NYSE:LAC](#))

More shares have been bought than sold by Lithium Americas insiders over the past 12 months, which is always a good sign if investor confidence tends to inform your buying choices. Meanwhile, overvaluation (signified by a P/B of four times book) is offset by a decent 40.9% expected annual growth in earnings over the next one to three years.

A TSX index favourite for the silver stuff, Lithium Americas is down 6.44% in the last five days at the time of writing, creating a slight value opportunity, while a one-year past earnings growth of 20.5% and low debt of 11.5% of net worth team up to present a strong recent track record and sound balance sheet.

HEXO ([TSX:HEXO](#))

Overvalued next to the future cash flow value, and with a P/B of 4.4 times book, this debt-free stock has seen insiders shed more shares than pick them up over the past three months, as they have over the past 12 months; however, with a 122.8% expected annual growth in earnings on the way, newcomers with a taste for growth still have plenty to salivate over with [HEXO](#).

Rising since the tail-end of December, this TSX index weed stock is up 14.3% in the last five days at the time of writing, showing that capital gains traders can still make a few quick bucks. Its data changes fast, as is common with high-performance tickers, so, as always, investors will need to be aware of how much time they'll have to spend watching their stock.

VIVO Cannabis ([TSX:VIVO](#))

Up 1.02% in the last five days, VIVO Cannabis still looks much like every other weed stock on the TSX index did when they started out, with a hot outlook let down by a so-so track record. This is illustrated by VIVO Cannabis's negative one- and five-year past earnings-growth rates, while its future performance is indicated by a 101.7% expected annual growth in earnings.

Aphria (TSX:APHA)(NYSE:APHA)

Up 5.5% in the last five days at the time of writing, Aphria has been looking like a frontrunner in the Canadian weed race for some time now. Its track record is exemplary, with a one-year past earnings growth of 251.7% compounding its five-year growth of 89.5%. Low debt at 3.1% of net worth and a current projection of 21.9% in its annual earnings growth makes for two more reasons to get invested.

The bottom line

Two things that make VIVO Cannabis a strong buy for the mid-term capital gains investor would be its low debt at 12.6% of net worth combined with attractive per-asset valuation shown by a P/B of 1.3 times book. While Aphria's P/E of 33.5 and P/B of 1.9 are higher, the latter is arguably the stronger stock in this space. Meanwhile, Lithium Americas remains one of the best such stocks on the TSX index for upside potential.

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1. Cannabis Stocks
2. Investing
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1. Cannabis

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