



Best Buy Under \$15: Aurora Cannabis Inc. (TSX:ACB) or BlackBerry Ltd. (TSX:BB)?

Description

The S&P/TSX Composite Index rose 84 points to close out the week on April 5. The TSX Index has climbed 14.4% in 2019 so far. This has rewarded the bulls and perhaps even the market timers who chose to buy the dips in late 2018.

Today, we are going to compare two growth stocks in two very different sectors. Both have started 2019 hot and are coming off positive earnings reports. Which is the better buy today? Let's dive in.

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

Aurora Cannabis is one of the top three cannabis producers in Canada. Shares have climbed 81.1% in 2019 as of close on April 5. The stock is up 51% from the prior year. Aurora picked up steam after it made a splash with the addition of strategist Nelson Peltz. This sparked a run up for the stock, but it has also attracted [short interest](#).

The cannabis industry is pushing towards consolidation among the top producers, and short-sellers have followed suit. Cannabis stocks with top market caps like Aurora and **Canopy Growth** are mainstays on the list of most-shorted stocks on the TSX. This was true in January 2019 and the end of March 2019. Aurora managed to beat back the bears in February with a better-than-expected Q2 2019 earnings report.

Its next batch of earnings is expected in May. Aurora forecasts a significant jump in revenue in the latter half of fiscal 2019 as production ramps up. Its stock last had an RSI of 59, which puts it outside overbought territory as of April 5.

BlackBerry ([TSX:BB](#))([NYSE:BB](#))

BlackBerry stock has increased 28.9% in 2019 as of close on April 5. Back in early January, I recommended investors [add BlackBerry](#) at a discount. The stock is still down 3.7% year over year.

BlackBerry stock spiked after releasing its fourth-quarter and full-year results for its fiscal 2019. Profit and revenue fell from the prior year, but it released a revenue growth projected between 23% and 27% for fiscal 2020. This was enough to excite analysts. BlackBerry's blockbuster acquisition of Cylance is expected to power revenues into the next decade, and it will also bolster its strong cybersecurity offerings.

BlackBerry has evaded breaking into the top-20 most-shortest companies on the TSX, but the short interest has increased in recent weeks. At the end of March 2019, BlackBerry had broken into the top-20 companies that experienced the largest increase in dollar value of short positions month over month. Shares of BlackBerry are trading in the mid to high end of its 52-week range. The stock had an RSI of 54 as of close on April 5, which puts it in neutral territory right now.

Which is the better buy today?

Interestingly, Aurora and BlackBerry are in a similar position value-wise. Both have retreated from technically overbought territory after a fast start to 2019, and yet both still have room to run to hit 52-week highs. Aurora and BlackBerry are also forecasting much-improved revenues in the quarters to come.

In truth, I think both are stellar growth options for the long haul. However, I like the steady option in BlackBerry today over Aurora and the volatile cannabis sector. Valuations are sky-high right now, and investors should exercise caution as economic headwinds would spell trouble for such a young sector.

CATEGORY

1. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NASDAQ:ACB (Aurora Cannabis)
2. NYSE:BB (BlackBerry)
3. TSX:ACB (Aurora Cannabis)
4. TSX:BB (BlackBerry)

PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

Category

1. Investing

Tags

1. Editor's Choice

Date

2025/07/17

Date Created

2019/04/08

Author

aocallaghan

default watermark

default watermark