



Forget Bitcoin's Bounce! Aurora Cannabis Inc. (TSX:ACB) Is a Far Better Bet

Description

Don't look now, but bitcoin has just awakened from the dead, soaring unexpectedly and again attracting the attention of investors and those in the mainstream financial media. Just when you thought the crypto hype had died, that sigh-worthy bitcoin ticket at the bottom of TV screens could be making a comeback should the momentum continue over the coming weeks.

While speculators may be licking their chops at another chance to get rich quick, I'd caution investors who are thinking about dropping their hard-earned dollars on the "worthless artificial gold." I've been a harsh skeptic on bitcoin and cryptocurrencies for many years now, often referring to the asset as "worthless," well before Warren Buffett or Charlie Munger began their humorous attacks on bitcoin and other cryptocurrencies.

This recent run in Bitcoin may be technically sound, but if you're one of the investors looking to diversify into alternative asset classes because of the recent trade-war-induced volatility spike, buying bitcoin is not a wise course of action unless you're comfortable with risking both your shirt and your pants. There are low volatility plays out there if you're looking to lower your portfolio's correlation to the recent choppy moves made in the market.

Moreover, there are much sexier *investments* to own if you're looking for momentum, growth, big gains, and a potential paradigm shift. Yes, even marijuana stocks are looking better than bitcoin if you've got the stomach for it. Without further ado, here's a Canadian stock that can scratch your itch for betting on high-risk, high-reward investments as the crypto run fuels another rise to the aggregate investor's appetite for speculative assets.

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

If you've got the disposable income to throw at bitcoin, do yourself a favour and buy shares of Aurora Cannabis instead. If you're anything less than a well-seasoned swing trader, you'll thank me later.

Aurora stock isn't as hot as it used to be, but it's still chock full of upside potential at this juncture, with many rally-inducing events that haven't yet come to be as I mentioned in a prior piece. Moreover, the

recent 59% YTD rally isn't too shabby for those looking to play a hot hand.

A lot of my colleagues here at the Motley Fool have been increasingly [bearish on Aurora](#) of late, and I can't say I blame them. The stock has been in a frothy industry and could be at risk of major downside in the occurrence of a black swan event. But if you've got the able and willing to take a bit of near-term pain for long-term gain, I still see Aurora as a great for those investors who have a bit of spare cash to pursue a "sexy play."

Fellow Fool Karen Thomas did a top-notch job of setting the stage for Aurora's Q3 2019 report release. Shareholder dilution continued cash burn (which has become a common theme in the crazy world of marijuana), and higher prior quarter costs are areas to focus on when Aurora raises the curtains on its results.

While some investors may believe Aurora's costs are trending upward, I'm a believer in management when it says the upped costs are a "temporary" issue that'll be short-lived once the firm shifts its focus from aggressively ramping up production to juicing efficiencies through the roof.

Foolish takeaway

Aurora isn't immune from a violent drop, however. The stock could undoubtedly get battered like bitcoin. The only difference is that Aurora looks better-equipped to bounce-back from its shortcomings over the long haul. When it comes to bitcoin, I'm with Buffett when he says "It will come to a bad ending."

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