Another Big Marijuana Stock Began Trading This Week

Description

The bigger the cannabis industry in the U.S. becomes, the more competition will make its way onto the equity markets. This week, we saw another key marijuana company begin trading on the **Canadian Securities Exchange** (CSE). **Harborside Inc** (CNSX:HBOR) completed a reverse takeover of FLRish, Inc. and Lineage Grow Company Ltd. in order to go public.

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However, unlike many pot stocks that begin trading, Harborside isn't a new company that needs to grow into a big company, as it already has a couple of big locations in California that have been key to its growth.

In its most recent quarterly earnings, the company reported that for February and March, its dispensaries in Oakland and San Jose served on average over 1,200 customers per day; the customers spent around $180 per visit.

With such strong numbers, it's not hard to see how the company generated $45 million in sales last year while also posting a profit. The company, however, is expected to grow even more.

There are some merger options that the company expects will be exercised that will also give the newly formed company two Oregon locations to add to its portfolio, which are currently operating under the name Terpene Station.

Another three dispensaries look to be added through acquisitions and could give Harborside as many as seven locations in total. There's a lot of potential growth for the company, making it a formidable threat in the U.S. cannabis industry.

Will investors opt for U.S. pot stocks rather than Canadian ones?

With more options to choose from, it's certainly going to get more difficult for a company like **Aurora Cannabis Inc** (TSX:ACB)(NYSE:ACB) to attract investors. Over the past three months, Aurora's share price has seen just a nominal increase, as there's been little reason for investors to get excited about one of the biggest cannabis companies on the TSX.

Although Aurora has shown significant growth in the past couple of quarters, it's also come with heavy losses along the way, a trend that isn't likely to change anytime soon. With more and more investors seeking the vast opportunities in the U.S. and wanting to invest in U.S. pot stocks, a company like Aurora will have to prove its worth.

At a market cap of around $11 billion and a price-to-sales ratio of over 50, the stock has already gotten a bit big, and relative to its U.S. counterparts, it might be more than a little expensive.

While there has been speculation that we could see something big from Aurora coming soon related to expansion, the company has remained unusually quiet.

Canadian pot stocks are much larger and more expensive than U.S. stocks listed on the CSE, which is a big detractor from Aurora and other companies, as there may not be as much of an opportunity for investors to earn a good return.

Canadian cannabis companies will have to make some big moves if they want to prove that they're still attractive investment opportunities today.

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