



If You Invested \$10,000 in Aurora (TSX:ACB) and Canopy (TSX:WEED) 3 Years Ago, It Would Be Worth This Much Today

Description

The two leading cannabis producers, **Canopy Growth Corp.** ([TSX:WEED](#))(NYSE:CGC) and **Aurora Cannabis** ([TSX:ACB](#))(NYSE:ACB) are locked in fierce combat to assume the [industry-leading position](#). The former is the largest in terms of market capitalization, while the latter has the [biggest production capacity](#).

Prior to the signing into law of the *Cannabis Act*, the enthusiasm in the cannabis industry was at an all-time high. Many were sucked into the green rush hoping to be rewarded with astronomical gains and the highest return on investment ever.

Unfortunately, the legalization of adult-use marijuana did not usher in the marijuana boom. The problems of supply shortages and logistical or distribution inefficiencies emerged. It turned out the sector is dysfunctional and might take a couple more years before it stabilizes.

But what are the gains of the investors of Canopy Growth and Aurora Cannabis who shelled out \$10,000 three years ago? That would be interesting to find out assuming there were no additional shares bought since the investment was first made.

Canopy Growth investor

In July 2016, your \$10,000 could have bought you around 3,263 shares of WEED at a price of \$2.76 per share. After one year, the price rose by 183% to \$7.80. The initial investment has grown to \$28.260. By July 2018, WEED climbed to \$38.65 or an increase of 1300%. The \$10,000 amounted to \$140,036 in two years' time.

Fast forward to July 1, 2019 and the shares of Canopy Growth have soared to \$52.87. The rise is 1816% and the total value of the holdings is now \$191,557. The initial investment of \$10,000 generated an income of \$181,557 in three years. On an annualized basis, the average return on investment is 605%.

Aurora Cannabis investor

The price per share of ACB in July 2016 was \$1.78. Your \$10,000 could buy you 5,618 shares of the weed stock. ACB appreciated by 22% after a year to \$2.18. Your initial capital increased to \$12,247.00. The stock picked up steam and rose by 421% to \$9.28 in July 2018. Your stocks are now worth \$52,134.00.

Aurora Cannabis managed to increase by only 11% after a year and is trading at \$10.26 as of writing. The original investment of \$10,000 has ballooned by 476% to \$57,640. On an annualized basis, the average return on investment is 159% after three years.

Emerging market

If I look at the present value of the \$10,000 invested in Canopy Growth or Aurora Cannabis three years ago, I can say the rate of return typifies an emerging market performance.

Analysts are projecting WEED to increase by another 89% to \$100 in the next 12 months. The \$10,000 will be \$362,318 by July 2020. On the other hand, ACB has a potential upside of 61% in the next 365 days. By then, the price would be \$16.50 and the initial investment of \$10,000 would be \$165,000.

I would not recommend which cannabis stock is the better buy. You can base your decision on the return on investment.

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1. Cannabis Stocks
2. Investing

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2. NASDAQ:CGC (Canopy Growth)
3. TSX:ACB (Aurora Cannabis)
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