



## IPO Alert: Avicanna (TSX:AVCN) Is a Cannabis King in the Making

### Description

The pot trade looks to be [dead](#) again with shares of Canadian cannabis kingpins like **Canopy Growth** now in a bear market that may not halt until legal edibles have had a chance to kick in.

With the Bitcoin trade heating up again, I imagine a lot of capital has flown between the two highly speculative sectors, as traders look to scratch their FOMO itch. Once the crypto craze inevitably dies again with **Facebook's** Libra facing an intense amount of scrutiny, contrarian cannabis investors may have a chance to get in before the game of greater fools has an opportunity to pick up in the crazy world of marijuana again.

Canopy's recently ousted ex-CEO Bruce Linton has moved on, and I think it's about time that Canadian investors had also looked to [greener pastures](#). If you're still bullish on the pot sector and are looking to bag a bargain, it may be time to look to Canada's cannabis IPO market, which is sizzling with **Avicanna** ([TSX:AVCN](#)) hitting the public markets last week.

Although the appetite for such cannabis new issues isn't as hyped as it was before legalization day hit, I think that Avicanna may be one of the most compelling cannabis plays to date.

Yes, you can get singed by a smokin' hot IPO, but given cannabis is already a speculative bet, I'd say one isn't taking on too much excessive risk by going with one a hot-off-the-shelf pot IPO. In fact, one could argue that a biopharmaceutical play is exactly what the doctor ordered for prudent investors who've been waiting for the right play (and time) to put their disposable cash to work.

Avicanna has impressive cultivation facilities in Colombia with operations that incorporate low-cost, industrial-scale infrastructure. While Avicanna's production is encouraging given that Colombia is turning into a preferred jurisdiction for legal cannabis growth, it's the R&D arm that should have investors most excited.

The company describes itself as a leader in innovative biopharmaceutical advancements using cannabinoids. Avicanna touts its multi-national scientific team, a lineup of finalized product offerings in derma-cosmetics and phytotherapeutics, clinical development programs, and pharmaceutical pipeline — the latter of which could hold the most promise for investors seeking ample upside potential with

cannabinoid-leveraging products aimed to target dermatology, pain, neurology, oncology, gastro, and psychiatry therapeutic fields.

While there have undoubtedly been skeptics who claim that cannabinoids like CBD are a modern-day version of snake oil, I think the uncharted territory of cannabinoid research leaves Avicanna a heck of a lot of room to run, as it goes on the hunt for conclusive evidence to prove the doubters wrong.

Avicanna isn't just your run-of-the-mill pot stock; it's a bio-pharma play that could have explosive upside should clinical development programs show promise. With that in mind, I suspect Avicanna's correlation to the broader pot industry will be lower, given the potential for company-specific catalysts.

In the meantime, the stock will likely hover around in limbo until the next wave of euphoria hits the pot sector.

If you've got the disposable cash you're willing to part with, I'd initiate a small position today.

Stay hungry. Stay Foolish.

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## Author

joefrenette

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