



This Pot Stock Is Lighting Up the TSX

Description

Cannabis investors trying to find underpriced options on the Toronto Stock Exchange should take a look at **Emerald Health Therapeutics** (TSXV:EMH) and **Aphria** (TSX:APHA)(NYSE:APHA).

Emerald Health Therapeutics may have gotten a weak start in the market, but its partnership with **Village Farms** is setting the company up for success.

While the stock may not be ready to compete with Aphria yet, at \$1.30 per share on the Toronto Venture Exchange, Emerald Health has excellent chances of one day graduating to be one of the most profitable marijuana stocks in the industry.

No doubt, the stock has had a rough few years battling speculative traders in the marijuana industry. The price on Emerald stock hit a high of almost \$9 per share in January 2018 only to fumble throughout the rest of the year and into 2019.

Luckily, things may be turning around for long-term shareholders in the stock.

Emerald Health Therapeutics

Emerald Health Therapeutics owns a 50% stake in Pure Sunfarms along with Village Farms. This joint venture began shipping branded dried cannabis products as of the beginning of October. This means that there will be [considerable earnings excitement](#) surrounding these two smaller cannabis stocks over the next six months.

This earnings excitement will likely take the stock price higher versus lower. Compared with **Canopy Growth**, which currently sells for around \$30 per share, these smaller stocks are relatively cheap options.

Canopy Growth has been quickly falling in value since the start of 2019. More expensive pot stocks have failed to impress investors for one reason: they have higher expectations for those corporations than they do for the less expensive stocks.

There is no way that the pricier stocks can prove their worth. The only direction these stocks may go is down, which is why investors should turn their attention instead to lower-cost options like Emerald.

Aphria

Aphria may be a safer low-cost option for more conservative marijuana investors. Investors can pick up around 100-shares in Aphria for only \$720 at today's market price.

This stock has already established itself as a [profitable player in marijuana](#) with exciting brands like that at Marigold Projects.

Marigold Projects is a 49% owned subsidiary, which just opened a fascinating new retail shop with an on-site smoking lounge on its existing five-acre marijuana farm in Kingstown, Jamaica. Across the street from a museum dedicated to the late reggae musician, Peter Tosh, customers can stop by to learn about this cultural icon during the trip.

Foolish takeaway

We ultimately don't know how successful slow movers like Emerald Therapeutics will be in the cannabis industry. Without historical sales data and trends, it is hard to say if this stock will even be around in 30 years.

A small gamble in Emerald Therapeutics wouldn't hurt investors, because it is priced so cheaply.

Moreover, it is still a better buy than Canopy Growth, which is overpriced and heavily indebted from years of risky business investments leading up to the recent rollout of marijuana legalization.

The slow movers have a significant advantage over the big pot producers who spared no expense in their battle the market. Slow-movers acquired less debt, paid less in interest over the years, and have a higher net present value on their investments.

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