



3 Top Marijuana Picks for the 2019 Stock Market Downturn

Description

The stock market is closing for the week with more optimism. A Brexit deal may be in the works for October 31, and U.S. trade talks with China are progressing. Where they go from here, we aren't sure, but the market is certainly up for the day.

Even PG&E stock rebounded on Friday after experiencing a 30% decline in share price the day before.

Cannabis stocks were also trading higher on Friday. Canadian investors should be aware that these three pot stocks are in certain buy territory. **Aphria** (TSX:APHA)(NYSE:APHA), **Village Farms** (TSX:VFF)([NASDAQ:VFF](#)), and **Aurora Cannabis** ([TSX:ACB](#))(NYSE:ACB) are cheap and should appreciate substantially in the next 25 years.

Aphria

Aphria traded lower this week after Aleafia Health terminated its wholesale cannabis supply agreement with Aphria. Demand growth is outstripping supply in the marijuana industry. As a result, Aphria failed to supply the 175,000 kilograms of marijuana it agreed to in the 2018 supply agreement.

Because Aphria owns shares in Aleafia, it is unlikely that the decision was one-sided. Although there is talk about seeking legal damages in court, it is more likely the case that the two corporations will amicably come to mutually beneficial terms.

Aphria is a top pot stock now selling for only \$6.25 at the time of writing — a decline of around \$0.75 from where it started the week at \$7.12.

Village Farms

Village Farms regained some of its losses this week on Friday. The cannabis stock announced a \$25 million public offering this week for \$9.40 per share.

When a stock increases the supply of its shares, the stock price typically falls. Likewise, when a corporation buys back shares, the price usually rises as the supply of shares falls.

Village Farms has a market cap of \$497 million. Low-priced cannabis stocks like Village Farms would be a great addition to any long-term retirement portfolio.

Aurora Cannabis

Aurora Cannabis is one of the most [underpriced marijuana stocks](#) on the market. Trading for \$5.06 per share, the stock has a market cap of \$5.21 billion, which allows it to invest more and exceed industry growth projections.

This week, Aurora announced an exciting new cannabis product, “Dissolve Strips™.” The dissolve strips are sublingual wafers, meaning that cannabis consumers place the product under the tongue. The dissolvable biscuits should be a popular new addition to “discreet dosing” product lines.

They work better than the spray and many edibles in that the dosing is easier to measure. Users will know how much THC they are ingesting in each strip to control the psychoactive effects of the drug better.

Foolish takeaway

Politics are driving stock market volatility. Between Brexit, U.S. trade negotiations with China, and Canada’s election cycle, we are set up for an even bumpier ride going into the new year.

This is good news for Canadian Tax-Free Savings Account and Registered-Retirement Savings Plan investors.

A volatile stock market means more buying opportunities. Every Canadian should be watching the market and picking up high-potential, battered stocks like these [cannabis winners](#).

These cheap stocks are perfect buys for Canadians who want to achieve an average of 30% returns over the next 25 years in their investment portfolio.

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TICKERS GLOBAL

1. NASDAQ:ACB (Aurora Cannabis)
2. NASDAQ:VFF (Village Farms International, Inc.)
3. TSX:ACB (Aurora Cannabis)

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