3 Jaw-dropping Stats From the Pot Stock Plunge

Description

The green industry of cannabis is reporting a lot of red this year. Even the second phase of legalization didn't provide a boost to the cannabis industry.

If you bought Cannabis stocks and are watching in horror as they plunge, you might find the numbers from three big players even more nightmarish.

Statistics from **Canopy Growth** (TSX:WEED)(NYSE:WEED), **Aurora Cannabis** (TSX:ACB)(NYSE:ACB), and **Aphria** (TSX:APHA)(NYSE:APHA) have seen some truly abysmal numbers this year.

A lot of these numbers can be associated with the industry's downfall in general. But whether it's the company's weaknesses or the industry's bad image, the result is bad news for investors.

Largest cannabis company

With the current market cap of $6.54 billion, Canopy Growth is still the largest marijuana company in the country. Until April 2019, it was the largest in the world, but the company's market cap came crashing down and has been falling ever since.

Canopy reached its peak market cap in the latter half of April 2019, hitting almost $22.9 billion. That's depreciation of more than 70% in just seven months.

The market cap has been cut down to half in only two months — a grim but astounding statistic, especially coming from the market leader in the sector that doubled investors' money in a single year.

The most beaten-down stock

Aurora, another market leader in the green pot industry, is continually showing up in red for investors. This $3.15 billion cannabis giant adopted a strategy of aggressive acquisitions.

But the method Aurora chose to fund its assets has been questioned by experts, and with good reason. The company diluted so much that the current number of outstanding Aurora shares is more than a billion.

This dilution is one of the reasons why the company has traded in the single digits for most of its lifetime. The current market value of the company is $3 per share at writing.

This share price translates to a disastrous decrease of almost 62.5% from the same time this year and a 77% decrease from the yearly high.

An underdog

Aphria has been considered one of the underdogs of the industry, yet it has shown remarkable potential. The Q1 results last month represented a second consecutive quarter of positive numbers. It's remarkable given the overall condition of the industry.

However, even the better-than-expected quarterly earnings didn't stop Aphria from sinking with the ship. The market value is down almost 20% since the quarterly report and nearly 65% from the yearly high.

While Aphria might seem a better choice compared to the rest of the bunch, the fact remains that its stats are just as jaw-dropping as that of the industry leaders.

Foolish takeaway

If we judge by the numbers, it wouldn't be incorrect to say that the country's cannabis industry is falling apart. But more factors are driving the industry down than the companies' failure to deliver.

The restrictions and delays by the licensing bodies, an unregulated black market, and the overall negative momentum are all responsible too.

There may still be a silver lining, however. The true potential of the second wave of legalization is yet to be seen. If the companies can create a decent presence in the cannabis products industry, they could flourish, and investors may capitalize on buying into the companies when the market values are an all-time low.

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