



Will Aurora (TSX:ACB) Stock Rise Like a Phoenix in 2020?

Description

Make no mistake about it, **Aurora Cannabis** ([TSX:ACB](#))(NYSE:ACB) had a horrific 2019.

Over those 12 months, Aurora lost nearly 63% of its share value, making it one of the worst-performing cannabis stocks of the year. Almost all [cannabis stocks](#) had a rough and rocky 2019, but things were especially awful for ACB.

The even worse news is that 2020 hasn't exactly kicked off with a bang for Aurora, either. Individual shares closed on December 31, 2019, at \$2.78 before dropping as low as \$1.99 on January 13, 2020. The value of ACB has rebounded a little bit since then, with the stock closing at \$2.68 on January 15.

The overall market sentiment regarding Aurora is lukewarm at best, but there's a lot of opportunities here for those confident in Aurora rebounding over the next 12 months.

Here's why Aurora has the potential to rebound in a big way through 2020 and beyond.

Regulatory roadblocks are disappearing

The Canadian cannabis industry started red-hot before cooling down considerably throughout 2019. 2020 looks like it could be another bull year for investors willing to ride out the storm with stocks like Aurora in their portfolio.

A lot of the gridlock that brought the cannabis industry in Canada to a screeching halt over the past 12 months is finally starting to dissipate. This is especially true in Ontario, the largest province in Canada by population, where local regulations and laws governing cannabis sales were previously very restrictive.

The overall process for gaining a legal retail license to sell cannabis in Canada has been streamlined significantly. This means more retail stores reaching more customers, and that means [more business for Aurora](#).

Investment in derivative products

On top of that, Aurora is looking to shift some of its business focus away from traditional cannabis products to secondary solutions that the company will produce and sell to their wholesale/retail partners.

The company has heavily invested in these derivative products that are already proving to be very popular with cannabis customers in Canada, and expect to have significant shipments of these solutions ready to go to individual retailers throughout Canada during the first quarter of 2020.

Depending on how these new products roll out during the first quarter of 2020 will not likely have a considerable impact on Q1 financial reporting, though. This means that individual investors have an opportunity to strike while the Aurora share value remains low with plenty of growth and upside for the rest of the year when these numbers climb.

Foolish takeaway

Combine all of that with the major waves that Aurora is making in the U.S. cannabis market, and it's easy to see why so many believe that this company has the potential to rebound in a big way.

Investors have every reason to be at least a little gun shy about the prospects of Aurora turning things around. But, with new leadership pushing this company in a new direction while doubling down on the matters the company already does well, the recipe for wild success certainly exists.

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