



Buy This 1 Pot Stock for a COVID-19 Breakthrough

Description

Pot stock investors: watch this space. Cannabis stocks could get a second wind, as researchers investigate whether cannabis could be an effective treatment for COVID-19. Indeed, as the coronavirus market searches for solutions, cannabis could take centre stage. But is **Aphria** (TSX:APHA)(NASDAQ:APHA) the best stock to buy for this eventuality? Let's discuss this compelling new thesis.

Researchers are getting cannabinoid fever

Suggestions that CBD could be an IL-6 cytokine inhibitor might prove relevant to COVID-19 treatment. However, even if it turns out that cannabinoids don't work on the disease itself, cannabis could at least be used to treat related stress and anxiety. This is the thinking behind [a call for new research](#) into the use of cannabis in COVID-19 symptom treatment and/or aftercare.

Tying the pump-and-dump antics of cannabis stocks to the coronavirus might be something of a stretch. However, repositioning pot stocks as front-line responders to the pandemic almost makes sense. The bottom line, of course, is whether cannabis is actually effective at treating COVID-19. It's easy to be bearish, considering that the jury is still out with regards to both the virus *and* the science of medical marijuana.

What makes the thesis of a COVID-19/cannabis crossover compelling, though, is that there could be some upside here. After all, even a whiff of vaccine hope can buoy the markets in their present state. And bulls will run anything. The pandemic markets have shown time and again that momentum is often self-generating. So, the idea that cannabis might be medically relevant to the pandemic could have legs.

A lodestar stock in a frothy market

The reality could be very different, of course. Lab results are liable to disappoint, erasing whatever gains that might lay ahead. This is just as true of vaccine rallies as it might be for a "coronabis" boom.

Whatever new research is conducted into the efficacy of cannabis as a novel anti-inflammatory could come too late to be relevant. In short, a vaccine might beat pot stocks to the punch.

With its focus on medical marijuana and cannabis oil, Aphria is well positioned to benefit from near-term gains if the markets catch on to an emerging “coronabis” concept. Even without this booster shot, though, Aphria is a compelling pick for eventual [cannabis market dominance](#). From positive EBITDA to encouraging operating income, this is a large-cap play in a frothy sector that has yet to settle.

With Aphria set to announce its fourth-quarter and fiscal-2020 financial results on July 29, investors could soon have the chance to buy shares on sale. While certain aspects of its earnings report are likely to be encouraging, the overall cannabis landscape mid-pandemic is unlikely to have nurtured even this hardy company. Expect a disordered share price, in other words.

Would-be Aphria shareholders should note that cannabis’s woes are market-wide, and that this pot stock has a more encouraging track record than most. Couple some potential post-earnings value with a pandemic buy thesis, and Aphria could be the one cannabis stock to invest in this summer.

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