



## Buy Alert: These 3 Cannabis Stocks Are on Sale Right Now

### Description

North American stock markets have been selling off this week as some of the vaccine bulls wash out. While some marijuana stocks have shown resilience — notably, **Canopy Growth** — others have not been quite so fortunate. However, one man's trash is another man's treasure, as they say. Value opportunities are opening up this week for contrarians.

Three names are now providing a bit of extra value as the markets wobble on vaccine hopes. While Friday saw something of a bounce, as value investors rushed in, further discounts in these top cannabis stocks look likely in the currently frayed market.

## Top cannabis stocks are still on sale

Are you looking to build positions in the long term or to simply make some cash in the short term? Either way, **Aphria** (TSX:APHA)(NASDAQ:APHA) is bringing the goods at the moment. This name was down 3.6% as markets neared closing Thursday. Towards the end of the week, the opportunities may be moderate. But this sentiment could carry over into next week, as the prevailing mood of investors turns frosty.

Indeed, higher-risk asset types are looking shaky, as a post-rally shot of reality permeates equities. With lockdowns looming, and the potential for negative economic data to impact markets, a deeper discount could be on the way.

But that could prove to be a good thing for faithful shareholders. Aphria is one of the few big names in [Canadian cannabis](#) likely to go the distance. A potential market leader one day, this is a rare name to buy and hold. Cannabis stocks are generally overpriced and trade on future hopes rather than present realities. However, Aphria's profitability makes it a rare diamond in the rough.

## Get ready to buy the dips

A big hit with American investors, **Tilray** ([NASDAQ:TLRY](#)) was nevertheless down 6% at one point

Thursday. This name can be more volatile than most, as shown by a high 36-month beta of 2.9. That's partly because it's focused on medicinal products and has strong ties with the United States. That volatility also comes down to its early visibility as a major cannabis company prominently trading on a U.S. stock exchange.

**HEXO** was flipping between losses of 1% and 2%, displaying high volatility on Thursday. With the exception of some big peaks and troughs, this name has actually been fairly low froth of late. A 36-month beta of 1.5 is fairly low for this space. Having shed 61% of its market value, HEXO also now trades below its book price.

The correction in [cannabis stocks](#) after legalization has left some of the better stocks exhibiting decent fundamentals. At 1.27 times book, Aphria's P/B denotes better value for money than some of Canada's best bank stocks, for instance.

Tilray has massive international potential and could be a key player in the future cannabis sector. Its P/B ratio of five times book is off-putting, however. Having lost 66% in the last 12 months, Tilray is not a cannabis stock for the lighthearted. With Aphria up 1% and Tilray up 2% Friday, investors should wait for the bounce to recede before buying.

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