



## Cannabis Investors: Could the Opioid Crisis Derail the Recreational Marijuana Train?

### Description

Investors in Canadian medical marijuana producers are betting that Ottawa will deliver on its plan to legalize the sale of recreational pot and open a massive new market.

### Is the plan at risk?

Canadians are generally perceived as having open minds when it comes to giving people the option to legally use cannabis for recreational purposes. Whether or not they are comfortable having dispensaries set up in their communities is another question.

While the discussion surrounding the legalization of marijuana continues, a surge in the use of opioids by Canadian teens is once again bringing the entire drug problem out into the open.

What's going on?

Reports continue to emerge of young teens overdosing and sometimes dying due to the use of drugs containing fentanyl, a potent synthetic opioid. The death of a 14-year-old girl in an Ottawa suburb recently made national headlines.

Smoking pot is different than popping pills, but the risk for the government is that the lines might get blurred quite quickly in the eyes of parents who are trying to protect their kids from the current opioid threat.

Will a pro-pot government be viewed as being tough on drugs?

### Trudeau taking the pulse

Last week, Prime Minister Trudeau said new marijuana legislation should be ready by the summer as he kicked off a short trip to Victoria and Vancouver.

As part of the visit, the prime minister stayed in Vancouver to get a reading on the city's opioid drug

problem and met with B.C. premier Christy Clark to discuss the issue.

During the visit, Trudeau said the government's approach on marijuana has the dual goal of protecting kids from getting easy access to the drug as well as taking the revenue away from gangs and putting it into the hands of the government where it can be used to help people "who are facing challenges related or unrelated to drug use."

That sounds good on paper, but some people have doubts the plan can work, and others wonder if the government is taking a big political risk on an issue it believes is a slam dunk with the general public.

Will Ottawa really be able to convince Canadian voters that legalizing marijuana sales is a good thing for Canadian families worried about their teenage kids?

Maybe, but the whole drug issue is extremely sensitive right now, and keeping the opioid problem and the marijuana discussion separate could be difficult.

For example, in an article published February 28, CBC reported conversations it had with Ottawa teens about opioid use in the city. According to CBC, one young person said, "It's just scary. Apparently, people are spiking [fentanyl] into just about anything, including marijuana."

Ottawa might be able to use this to strengthen its case, but that's not guaranteed.

### **Should you own cannabis stocks?**

Medical marijuana suppliers, such as **Canopy Growth Corp.** ([TSX:WEED](#)) are trading at extreme valuations right now based on investor expectations that a legal recreational marijuana market is coming soon.

The government may well see the plan through, but there is a risk that Ottawa could drag its feet, especially if MPs start to take heat from voters who think the Liberals should focus on stamping out the opioid problem first.

If Ottawa decides to backtrack on the marijuana file, cannabis stocks could get hit hard.

As such, I would avoid the sector today.

### **CATEGORY**

1. Investing

### **TICKERS GLOBAL**

1. TSX:WEED (Canopy Growth)

### **PARTNER-FEEDS**

1. Msn
2. Newscred
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1. Investing

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