

## Canopy Growth Corp.: A Solid International Marijuana Play?

### Description

**Canopy Growth Corp.** ([TSX:WEED](#)) is up ~6% over the past week as many Canadian marijuana stocks move back into the green. Canopy is poised to capture the recreational marijuana market by storm, as it has top brands and a promising e-commerce platform in place.

Although these are intriguing growth prospects, it's worth noting that if other Canadian provinces adopt Ontario's government-run store model, Canopy probably won't enjoy a durable competitive advantage that its brands and platform would have given it had the government granted marijuana producers and distributors more flexibility. It's possible that Canopy could get shut out of the e-commerce business for now, but there's something else to be excited about in the meantime.

### Canopy continues to beef up its international presence

It's not just Canada and its imminent marijuana legalization that Canopy is preparing for. Canopy has also been making smart international moves to become a geographically diverse marijuana company.

Canopy has a supply deal in place with a German distributor in addition to another partnership in Brazil. More recently, the company announced an agreement to be the provider of marijuana strains and seeds to Alcaliber, a Spanish pharmaceutical company. Alcaliber is using Canopy's strains and seeds in its facilities with the intention of selling it around the world.

Sure, the Spanish partnership probably won't be accretive for quite some time, but it's good news that Canopy is making international relationships with global partners early in the game, which could set Canopy up very well many years down the road when cannabis is viewed as less taboo at the international level. Many countries may also follow in Canada's footsteps by legalizing recreational cannabis, and if regulations allow, Canopy could see itself as a dominant global leader in the marijuana space.

That's way in the future though, so don't get your hopes up, especially since a satisfactory return on investment isn't even guaranteed. Canopy is going to continue to put its foot on the pedal as it consolidates the global marijuana market. That means more acquisitions or partnerships, all while the company ramps up to meet the explosive demand that's expected once Canada's legalization day comes.

### Bottom line

Although Canopy is bleeding cash right now, Bruce Linton, Canopy CEO, believes that Canopy will be profitable by the second half of 2018. If you're looking for an international exposure in the emerging marijuana industry, then Canopy is a solid, but speculative bet.

If you've got extra cash that you're willing to take risks with, then you may want to start considering cannabis stocks again, because, depending on the sentiment of upcoming headlines, major stock price

movements are likely on the horizon.

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