

Legal Marijuana Could Be a Major Tailwind for This Iconic Canadian Company

Description

With cannabis legalization on the horizon, many investors have loaded up on speculative cannabis producers such as **Canopy Growth Corp.** ([TSX:WEED](#)) with the hopes of realizing next-level returns over the long run. While the legalization of cannabis opens many types of new opportunities to investors, publicly traded cannabis producers are way too risky for the average Canadian investor to own.

Fortunately, there are indirect ways to capitalize on cannabis legalization without elevating your risk profile to the next level.

Many pundits believe that legalized cannabis will cause a surge in demand in the first few years. As more cannabis users light up, one Canadian stock will be positively affected without the risk of a hangover if cannabis stocks decide to take a plunge in response to some unexpected political headline.

Think about it. Smoking cannabis causes a side-effect known as the “munchies,” which causes people to start going on a snacking rampage, ripping through multiple bags of chips and ingesting an entire freezer’s worth of microwavable foods like pizza pops or sliders.

If there happens to be a Burger King (owned by **Restaurant Brands International Inc.** ([TSX:QSR](#))([NYSE:QSR](#))) within the vicinity, then many stoned folks are likely to head on over to these restaurants, like Harold and Kumar and their voyage to White Castle for sliders.

In a study conducted by Green Market Report, ~18% of cannabis users list Burger King as their go-to place when they’re hit with the munchies. That’s considerably lower than 43.4% of cannabis users that prefer **McDonald’s Corporation** ([NYSE:MCD](#)); however, I believe Burger King has a gigantic opportunity to make up ground through its innovative new menu items, like Mac N’ Cheetos, and clever marketing campaigns that may be aimed at pot smokers. McDonald’s appears to be ahead in the game with stoner-targeted billboard ads promoting its breakfast wraps, which read “Usually, when you roll something this good, it’s illegal!”

“We believe location and frequency are a large part of why McDonald’s took the top spot. They are simply a larger chain with more stores,” says Cynthia Salarizadeh, co-founder of Green Market Report. That’s a huge opportunity for Burger King, which has one of the more aggressive marketing campaigns out there.

The general public is steering towards healthier eating, which is a trend that I believe is sticking around for the long haul; however, as the world becomes more open to marijuana use, fast-food giants stand to be huge winners, especially once delivery systems are implemented.

Bottom line

Restaurant Brands International is a fantastic company with an incredible management team and a

very promising growth profile.

Cannabis legalization is just another potential tailwind for Burger King, Tim Hortons, or Popeyes, which may send same-store sales flying gradually over time. It's an interesting development, and I'm curious as to whether or not fast-food companies will start actively targeting pot smokers with advertisements once weed is legal.

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TICKERS GLOBAL

1. NYSE:MCD (McDonald's Corporation)
2. NYSE:QSR (Restaurant Brands International Inc.)
3. TSX:QSR (Restaurant Brands International Inc.)
4. TSX:WEED (Canopy Growth)

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Date

2025/08/23

Date Created

2017/10/07

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