



The Biggest Opportunity Yet to Buy Canopy Growth Corp. Starts Now

Description

Over the past year, investors have been anxiously following the progression of marijuana stocks such as **Canopy Growth Corp.** ([TSX:WEED](#)), which offer the promise of significant growth from the new, emerging segment of the economy.

Some pundits have equated the emerging cannabis market opportunity with what it must have been like to invest in liquor companies just before the end of prohibition.

That view was one of several that saw Canopy shoot up last year to pass the billion-dollar market cap level without the sales to back it up.

Canopy used some of that added financial muscle to pursue several acquisitions, which resulted in larger domestic production and storage capacity, the addition of new brands to Canopy's portfolio, as well as the requisite foundation to branch out to foreign markets, where regulatory hurdles still prevent domestic competitors from offering medicinal marijuana to patients.

This year, Canopy is on track to shoot up even higher, with the stock already surging over 110% year to date, with no end in sight.

Legalization is getting closer

With 2017 winding to a close, the proposed July 2018 date is beginning to loom closer than ever. That milestone took one step closer to reality this week, as Federal legislation over legalization finally passed in the Commons and is off to the Senate.

Other, less obvious dates are fast approaching.

When Donald Trump won the U.S. election last year, the media was (rightfully) caught up in the unpredictable nature of the victory, and largely let a different victory fly in under the radar. Ballots in several states presented legalization motions to voters, which passed in many states. Over half of the U.S. states now permit medical marijuana, and that market is going to continue to grow.

In California, which is the most populous state, legalization will hit with the passing of the year on January 1, 2018. While there are still technical hurdles to overcome, such as the requisite licences, permits, and local regulations, the state passed what will become a US\$7 billion segment of the state economy.

Closer to home, Ontario recently announced a [framework for recreational use](#) that includes plans for up to 200 retail locations in place within the next three years.

Cannabis-based products are set to follow

Industry experts are already turning towards what could be the next milestone beyond legalization — edible products. One of the amendments placed into the bill that passed in the Commons this week was to introduce a follow-up within a year on the issue of food products containing cannabis.

Canopy is also looking into enhancing beverages, thanks to a [recent investment](#) by **Constellation Brands Inc.** last month. The U.S.-based beverage maker acquired a nearly 10% stake in Canopy for the purposes of exploring the options for cannabis-based beverages.

Should you buy Canopy?

Canopy makes a great investment option, particularly for those investors looking to diversify into the emerging sector. The growth potential is nearly untapped, as we live in a global market where there are more jurisdictions without legalization legislation than those with it.

Additionally, Canopy's efforts over the past year to set up a distribution network for foreign markets as well as boost domestic production and supply capacities puts the company at the forefront of what will be a very lucrative next few years.

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Date

2025/07/03

Date Created

2017/11/28

Author

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