



Why MedReleaf Corp. Rose About 1% on Thursday

Description

What?

Medical cannabis producer **MedReleaf Corp.** (TSX:LEAF) watched its stock rise about 1% on Thursday following its announcement that it had entered an agreement to supply Shoppers Drug Mart with MedReleaf branded cannabis products.

So what?

Shoppers Drug Mart, a wholly owned subsidiary of **Loblaw Companies Limited** ([TSX:L](#)), is Canada's leading health, beauty, and convenience retailer with more than 1,300 locations from coast to coast. MedReleaf stated that it expects Shoppers Drug Mart to sell its products online, since current regulations in Canada restrict the sale of medical cannabis in retail pharmacies, but with how fast the cannabis industry is changing, and with legalization expected to occur in 2018, I think there is a very good chance MedReleaf's products will be available in stores by the end of 2019.

Now what?

Aphria Inc. (TSX:APH) announced [a similar deal](#) with Shoppers Drug Mart on December 4, but I think Shoppers Drug Mart and the cannabis industry as a whole are large enough for multiple players.

MedReleaf's stock is up more than 101% since I first recommended it [on August 15](#), and I think the best has yet to come for this small cap, because I think marijuana will be legalized in Canada by the end of 2018, which will result in explosive growth in demand.

With all of this being said, I think all Foolish investors seeking exposure to this high-growth industry should strongly consider initiating positions in MedReleaf today.

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