



## Legal Cannabis Slated for Summer 2018, Not July 1: Could This Vague Time Frame Imply Further Delays?

### Description

Nationwide cannabis legalization will not be on Canada Day 2018, as many Canadians had originally thought. Prime Minister Justin Trudeau announced that the legalization date “would not be July 1,” which was the hard deadline for legalization. Instead, Trudeau vaguely stated that legalization would be slated “for next summer.”

There’s no exact date yet, but given the recent [resistance from Conservative senators](#), it shouldn’t come as a surprise if the legalization date is pushed back to late summer or even next year. Nationwide legalization has suffered many delays already, and Trudeau’s latest comments in an interview with the Quebec-based TVA network seem to be pointing to yet another delay. This news has some cannabis investors worried, as shares of the Big Three pot stocks **Canopy Growth Corp.** ([TSX:WEED](#)), **Aurora Cannabis Inc.** ([TSX:ACB](#)), and **Aphria Inc.** (TSX:APH) were all in the red on Wednesday.

It appears that the summer 2018 legalization may have bought Trudeau and company a few months to deal with Tory senators that have threatened to delay the passing of bills C-45 and C-46, which are required for nationwide legalization to come to fruition on time.

As of right now, no official delays have been confirmed, since Trudeau said he “didn’t know where the July 1 date came from.” July 1, 2018, was a hard deadline and not necessarily a precise date for legalization, so technically, Trudeau still hasn’t broken his word just yet.

Based on Trudeau’s recent comments, legalization day could still happen before July 1 in the early summer, but given numerous recently voiced concerns from various politicians, I suspect this is highly unlikely. In fact, I think it’ll come down to the last few weeks of summer before an official legalization date is announced.

If summer 2018 goes by and cannabis still isn’t legalized, I suspect investors will start to throw in the towel on pot stocks, causing a nasty correction depending on when the new deadline is expected to be. The political uncertainty was thought to have faded with many provinces announcing their

legalization plans, but if another delay were to happen, this political uncertainty could surge again and wreak havoc on all cannabis stocks.

### **Until summer 2018 winds to a close, cannabis stocks will probably continue to soar higher**

I think the [rate of positive developments could accelerate](#) as the summer approaches. This means more supply deal announcements, acquisitions, partnership announcements, and maybe another blockbuster investment from a large firm that is interested in getting some skin in the game.

Such developments have the potential to fuel a rally to much higher levels from here, but it's important to also remember that an announcement of another legalization delay could spark a correction.

### **Bottom line**

We can only speculate on when legalization day will actually be, but I think further delays are possible. If you're a cautious investor, it may be a wise decision to wait for another legalization delay announcement, which could create a better entry point for those looking to initiate a position. Of course, such an announcement may end up not happening, so you'll risk missing the gravy train if legalization day does, in fact, happen next summer.

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1. Investing

### **TICKERS GLOBAL**

1. TSX:ACB (Aurora Cannabis)
2. TSX:WEED (Canopy Growth)

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1. Msn
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### **Category**

1. Investing

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### **Author**

joefrenette

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