

3 Stocks That Will Soar With Legalization of Marijuana

Description

Every so often, an intriguing investment surfaces for investors that is described as posing a massive opportunity. One such opportunity is the emerging cannabis segment of the economy, which has long-standing potential that extends far beyond the growers.

As legalization in Canada is now set to occur in under six months, many of those [buying opportunities](#) are already beginning to materialize. Here are just some of the winners from legalization.

Canopy Growth Corp. ([TSX:WEED](#)) is a company that needs no introduction. Canopy has steadily expanded over the past year to become the largest distributor in Canada. It has set up an impressive international presence that takes into consideration the confusing and complicated set of laws and regulations in foreign jurisdictions.

In Germany, for example, it is still illegal for local companies or individuals to grow medicinal marijuana, but it can be imported from a reputable and approved distributor, which Canopy happens to be.

Canopy has already seen some very impressive gains. The stock soared in 2017, finishing the year off with a gain of 225%. That's not to say that Canopy couldn't continue to grow; recreational pot is slated to be a ~\$10 billion market within the next three years, and as the largest player in that market, Canopy is well positioned to reap those rewards.

Canopy has already set up an online marketplace dubbed "Tweed Main Street," which, given Canopy's first-mover advantage, will provide both handsome margins and brand loyalty.

Still, there are those that view Canopy's growth as clearly in bubble territory and caution about the potential for that bubble to pop. That doesn't change the long-term view that Canopy is a great investment option in an emerging industry.

Loblaw Companies Ltd. ([TSX:L](#)) is the largest grocer and pharmacy provider in the country. Soon, Loblaw hopes to add marijuana sales to its massive portfolio, thanks to deals made with **Aphria Inc.** and **MedReleaf Corp.** that will see Shoppers Drug Mart sell marijuana in stores. Sales will be subject to provincial laws and limited initially to online sales channels.

Most provinces have already released plans for how they plan to regulate and sell marijuana, with most provinces so far opting for some form of private sales channel that would allow Loblaw entry into the market. One exception is Ontario, where the government has opted for an LCBO subsidiary to be the sole operator of standalone stores to purchase legal marijuana.

Alimentation Couche-Tard Inc. ([TSX:ATD.B](#)) is another retailer that holds plenty of potential, as the legalization date rapidly approaches. Couche-Tard is one of the largest convenience store and gas station operators in the world, and the company hasn't been coy about seeking out the requisite

approvals to sell marijuana in its locations.

Couche-Tard already sells alcohol products in many of its Quebec locations, and the company has argued that expanding into marijuana wouldn't be an onerous process given the regulated nature of both products.

Unlike Loblaw, Couche-Tard has yet to announce a partner to provide cannabis products to its stores, and Quebec has so far not opened a window for private companies to sell cannabis, but it has stated that there will be some adjustments as the legalization process continues to unfold.

Even without permission to sell in Quebec, Couche-Tard has [massive growth potential](#).

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:L (Loblaw Companies Limited)
2. TSX:WEED (Canopy Growth)

PARTNER-FEEDS

1. Msn
2. Newscred
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