

Canada Gets its 1st Cannabis Stock Listed on the NASDAQ: Which 1 Is Next?

Description

Last week, Canada got its very first cannabis stock listed on an American exchange.

Despite what you might be thinking, it wasn't Canada's largest medical marijuana company **Canopy Growth Corp.** ([TSX:WEED](#)), and it wasn't **Aurora Cannabis Inc.** ([TSX:ACB](#)) or **Aphria Inc.** ([TSX:APH](#)) either.

In fact, the first dual-listed Canada marijuana company ended up being the relatively unknown **Cronos Group Inc.** ([TSXV:MJN](#))([NASDAQ:CRON](#)), which I'd first written about in "[3 Amazing Marijuana Stocks That Have Been Flying Under the Radar Until Now](#)".

On the first day, Cronos shares became listed on the NASDAQ, they popped 21%.

Cronos prides itself on being different from the pack

Cronos runs its operations differently from a lot of the other grow-ops in the market today.

Marijuana producers like Canopy, Aurora Cannabis, and Aphria find themselves directly involved in the day-to-day operations of growing, harvesting, and selling cannabis products — sometimes including cannabis oils, edibles, and gels.

This is essentially how the medical marijuana market came to be.

But things were a lot simpler back then — recreational marijuana wasn't much more than a pipe dream, and there wasn't nearly as much capital being invested in the marijuana industry.

But now with [legal recreational use just around the corner](#) in Canada, and several states in the United States already legalizing the drug, including California, Washington, and Colorado, institutional investors like pension plans, foundations, and private equity firms — collectively referred to as the "smart money" — have started pouring money into cannabis investments.

The strategic vision held by the managers at Cronos basically builds off this premise.

Instead of being bogged down in the daily operations of harvesting marijuana crops, which is essentially a glorified "agri-business," Cronos is focused on making strategic investments in marijuana companies that it expects to outperform the market.

Today, Cronos boasts a portfolio of cannabis investments that spans four continents.

Its largest investment is in Peace Naturals. Cronos owns a controlling 100% stake in the Simcoe County producer that holds a licence issued by Health Canada pursuant to the Access to Cannabis for Medical Purposes Regulation to produce and sell marijuana as well as cultivate cannabis oil.

In addition to Peace Naturals, Cronos also owns 100% of Original B.C., a British Columbia grower, and a 21.5% stake in Whistler Medical Marijuana Company.

But when you start to look at Cronos international investments, the story only becomes that much more interesting. Included among them is the company's 50/50 stake in a joint venture called Cronos Australia, which will serve as the company's hub for Australia, New Zealand, and South East Asia.

The Cronos Australia campus is set on 120 acres and will begin with a 20,000-square-foot facility expected to operate with production capacity of up to 2,000 kilograms of product.

That goes without mentioning the company's supply agreement with Pohl-Boskamp, a German pharmaceutical manufacturer that supplies over 12,000 pharmacies.

Certainly, the sky appears rosy, or maybe green right now for Cronos.

Which marijuana producer will be next to list on the NASDAQ?

In the less than two weeks since officially becoming listed on the NASDAQ, Cronos shares are up 29%.

Without question, listing on an American exchange goes a long way to opening a company up to greater sources of capital and investment opportunities, so it's easy to see why the market would react like this.

Canopy CEO Bruce Linton recently suggested it would only be a matter of time before his company became listed on the NASDAQ exchange. Linton said that the company had originally targeted a listing for last October, but the large investment made in the company by **Constellation Brands, Inc.** put those plans temporarily on the back burner.

If the market's reaction to Canopy's listing on the NASDAQ is anything close to the response that the lesser-known Cronos received last week, it could certainly make for a profitable trade in the company's shares for Foolish investors.

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1. Investing

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2. TSX:ACB (Aurora Cannabis)
3. TSX:CRON (Cronos Group)
4. TSX:WEED (Canopy Growth)

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