

Why Pot Stocks Could Continue to Soar Next Year

Description

Pot stocks have been doing [very well](#) over the past year and a half, and there is the potential for the bullishness to continue well into next year. With recreational pot sales commencing this October, we'll see just how strong demand really is and whether it will meet or exceed expectations.

More opportunities for growth down the road

Smoking marijuana is just one piece of what could be a much bigger pie. Edible marijuana could open the door for many different avenues of growth for cannabis companies. From cookies to gummy bears to even pizza, there are many ways pot has been infused into everyday foods, and that could offer tremendous growth opportunities for pot stocks to continue to soar even further.

Edible marijuana was not included in Bill C-45, so it will not be legal come October, but the expectation is that sometime next year the government will give it the go ahead. When that happens, we'll see even more demand rush through, and there will be many more types of cannabis companies popping up before that happens.

Cannabis-infused food has a lot of potential, but another avenue for edibles to grow is through beverages.

Beer mixed with cannabis is generating a lot of interest, and **Molson Coors Brewing Co** ([TSX:TPX.B](#))([NYSE:TAP](#)) has recently reached out to some Canadian cannabis companies, including **Aphria Inc.** (TSX:APH) and **Aurora Cannabis Inc.** ([TSX:ACB](#)), as it looks to potentially partner up with a big company to work on developing a formula that could be a big hit with consumers.

Even though it's still not legal in Canada, and the U.S. market as a whole is still well behind, companies want to be ready for when edibles are legalized and recognize the process could take some time. By the time legalization takes place, there will likely be many competitors ready to fight for market share.

A good example of the bullishness surrounding edibles is **Green Organic Dutchman Holdings Ltd.** (TSX:TGOD), which has been [soaring](#), despite a lack of sales. The company recently obtained a licensing deal where it will be able to use a technology to infuse food and beverages with cannabis in a controlled and efficient way, and that has been enough to make investors bullish on the stock.

Green Organic has been listed since May, and it is already up 75% based off speculation and expectations for future growth. As these companies start accumulating sales and potential starts becoming realized, we could see share prices soar even higher.

Edible marijuana has been very popular in the U.S. in states where it has been legalized, and it will help reach a broader market of consumers that might be opposed to smoking pot, but not to eating or drinking it.

Bottom line

The cannabis industry is still in its early growth stages, and the potential just in the edibles segment will ensure that optimism and expectations remain high beyond 2018. As well as pot stocks have done so far, there could still be a lot more upside before prices reach a peak.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:TAP (Molson Coors Beverage Company)
2. TSX:ACB (Aurora Cannabis)
3. TSX:TPX.B (Molson Coors Canada Inc.)

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Author

djagielski

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