



## Marijuana Is Now Legal in 9 U.S. States: What Does This Mean for Cannabis Investors?

### Description

Marijuana may not be legal at the federal level in the U.S., but that isn't stopping individual states from approving cannabis. On Sunday, Vermont became the latest state to legalize marijuana for recreational use as we continue to see the Schedule I substance make progress along more liberal states.

We've seen several U. S. states slowly move toward legalizing cannabis, and companies are starting to position themselves in advance of when marijuana might finally be permitted nationwide, but there is no timetable on just when that will be.

Until that happens, pot companies will still be able to operate in states that have legalized the substance (although not without a bit of a [dark cloud](#) hovering over producers), but it will be difficult from a logistics standpoint, as the product will not be able to cross state lines.

While the news of another state legalizing cannabis isn't itself a big revelation, it's further proof that attitudes are changing and that it may only be a matter of time before we see legalization in the U.S. make some serious headway.

### Could we see new entrants on the CSE?

While federal U.S. laws make it difficult for cannabis companies to get funding from banks and the mainstream stock exchanges, the Canadian Securities Exchange (CSE) has offered a way for these companies to reach investors. With looser laws than the TSX, the CSE has welcomed pot producers and given the companies an avenue to obtain much-needed funding.

Although the CSE does not see the same activity as that of the TSX, it will still give investors more pot stocks to select from as possible investments, which could make things even more competitive in an industry that's only growing in size.

### Opportunity for existing U.S. pot stocks

With another state legalizing pot, there will be another region of the U.S. that existing cannabis

companies can expand into. While it presents an obvious challenge to coordinate efforts when product can't be transported from one part of the country to another, it does open the door for a company to grow its market share via acquisition.

**Golden Leaf Holdings Ltd.** is one stock that is already looking at trying to be on every corner in the U.S. as are [popular coffee shops](#), and the more states that allow pot to be sold in, the more places the company will be able to deploy its model in.

### Bottom line

As the U.S. continues to inch toward marijuana legalization on a wider scale, companies like **Aurora Cannabis Inc.** ([TSX:ACB](#)) and **Canopy Growth Corp.** ([TSX:WEED](#))(NYSE:CGC) could face a lot more competition.

The TSX-based companies will not be able to expand into those areas until pot is legal at the federal level, which gives CSE stocks like Golden Leaf a big advantage and an opportunity to benefit from being first-movers in those locations.

The industry is undergoing a lot of change, and once pot becomes legal south of the border we'll see just how big the potential in the industry will be.

### CATEGORY

1. Investing

### TICKERS GLOBAL

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

### PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

### Category

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djagielski

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