

Should Canadians Avoid Marijuana Stocks to Avoid a Potential Sticky Situation at the U.S.A. Border?

Description

As a Canadian, if you've smoked cannabis, invested in pot stocks, or worked in the cannabis industry for a firm like [Canopy Growth \(TSX:WEED\)](#) (NYSE:CGC), you could be at risk of receiving a lifetime ban from the U.S.A. This potential ban is courtesy of a U.S. Customs or Border Protection Officer who may, at his or her discretion, question you about the cannabis to try to make you admit your cannabis "sins."

For Canadians, these "guidelines" seem entirely unfair, especially considering the fact that cannabis is legal across various U.S. states.

There's no doubt that the increased tensions between Canada and the U.S. over the past year may have had something to do with the borderline aggressive (pun intended!) questions and penalties that could potentially be laid out at the U.S.-Canada crossing.

With marijuana legalization coming up next month, many Canadians may see themselves get "perma-banned" from entering the U.S. because they may own a single share of Canopy, or they may have invested in a passively managed investment vehicle that has a position in cannabis.

Now, most major indices exclude pot stocks for now, but as the nascent industry continues to mature and as Canopy's market cap continues to swell in size, it's not too far-fetched to think that the stock may be included as a part of an aggressive growth ETF. Even if it's a tiny <1% position, an investment in such an ETF may be good enough to get turned away from the U.S. border with a lifetime banishment for what U.S. Customs Officers may deem as a "crime" that's to be punished to the fullest extent.

So, given the severity of the risks and the fact that you're an honest Canadian who hasn't smoked weed or worked in the industry, is it still worthwhile to purchase shares of a cannabis company if you haven't done so already? Or are the potential profits not worth a potentially nasty situation the next time you're thinking about travelling to the states?

Now, pot stocks have run up by a ridiculous amount, and they'll likely continue to do so as we head towards legalization day. But unless you're a risk-seeking investor with plenty of disposable income to potentially lose, I'd take a pass on the pot stocks to eliminate your possibility of a lifetime U.S. ban.

Given the absurdity of the criteria for a lifetime ban, I wouldn't at all be surprised to see Canadians dragged into the back room and forced to unlock their phones to reveal their investment accounts to see if there's any trace of an investment in a pot stock like Canopy. If that happens, the little profit you've made from a pot trade probably won't be worth a lifetime ban and other financial penalties that may ensue if you're discovered to have invested in anything marijuana related.

Foolish takeaway

Unless you're looking to risk a large amount of capital (few people are) on pot, I'd steer clear if you have any intention of travelling to the U.S. under the Trump regime.

Of course, if you're bold enough to risk your money on pot stocks, then you're probably willing to risk getting banned at the border. So, with that in mind, the decision is yours. But I'd say the risk/reward trade-off isn't ideal, especially since you may lose your shirt and your ability to travel to the U.S. altogether — a nasty combo, indeed.

For my sake, I hope [writing about marijuana stocks](#) won't also soon qualify for a ban!

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