



Less Than a Month Until Legalization: Should You Buy Canopy Growth Corp. (TSX:WEED) Before October 17?

Description

Canopy Growth ([TSX:WEED](#))(NYSE:CGC) has [pulled apart from the broader basket](#) of pot stocks of late. Many surprising events have made Canopy investors rich over a very short period and as we head past legalization day into what could be another “Santa Claus reefer rally,” I think there’s still plenty of upside to be had over the next year in spite of the stock’s seemingly absurd run.

Now, that’s not to say another crash won’t happen between now and a year from now. If you intend to hold onto your shares for at least a year, you’ll probably run into two, maybe even three [bear market moments](#).

Buying such violent dips has been a profoundly profitable endeavour in the past, and if you’re planning on initiating a position in Canopy today, I’d advise taking a prudent, “**Constellation Brands** approach” by accumulating shares on the dip at a time when others are fearful.

Yes, Warren Buffett’s famous line: “Be fearful when others are greedy, and greedy when others are fearful” still applies in the marijuana market, even though the Oracle himself would never directly invest in the cannabis industry.

While the \$100 milestone looks like an inevitability for Canopy, you need to keep in mind that you’re trading alongside reckless gamblers, some of whom trade Bitcoin and other “turd” cryptocurrencies (a.k.a. Altcoins) based solely on momentum.

These weak-handed investors will exacerbate sell-offs, creating oversold buying opportunities for investors to initiate positions without needing to worry about vomit-inducing amounts of volatility. Thus, you shouldn’t feel the need to buy Canopy, or any other pot stocks at the price Mr. Market asks for on any given day.

Sure, there are still many further developments (and surprises) that could catapult Canopy and the industry higher over the short-term. But nobody knows when precisely such events will occur, so if everybody is exhibiting the fear of missing out mentality, and no rally-inducing event occurs, pot stocks

could sell off as the default course of action as a high probability of “surprise” developments are already baked into shares of Canopy and other smoking hot pot names like **Cronos Group** or **Tilray** stock.

Foolish takeaway

We’re less than a month away from legalization day, but don’t feel obligated to back up the truck the before October 17. Legalization day is a non-event at this point, so I’d suggest keeping plenty of dry powder on the sidelines so you, like Constellation Brands, can get the best bang for your buck.

Get some skin in the game toda, so you don’t miss out on another potential Santa Claus rally. But plan to build your position on dips that are bound to happen over time.

Stay hungry. Stay Foolish.

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