



## 2 Stocks That Will Be Exciting to Hold in 2019

### Description

In 2019, investors will get a more comprehensive look at the sports betting and cannabis markets. Both industries have flourished in the black market for decades. Both have also had their fair share of advocates in the public sphere. Investors will get to witness both industries come out of the dark in late 2018, but a clearer picture is likely to emerge in the years to follow.

The legalization of recreational cannabis has been covered relentlessly in the Canadian media, and cannabis producers have performed very well since the victory of the federal Liberals in 2015. Legalized sports betting is not yet a reality in Canada, but in the United States the Supreme Court struck down a 1992 federal ban in May of this year.

Early estimates have put the potential size of the Canadian cannabis market at up to \$10 billion by the time the industry gets up to full capacity — likely not until the second half of 2019 at the earliest. The sports betting market in the United States has been valued at [as much as \\$150 billion](#) by the American Gaming Association.

Today, we are going to look at two stocks that are well positioned to post big gains as these industries come into their own.

#### **Canopy Growth** ([TSX:WEED](#))(NYSE:CGC)

Canopy Growth stock was up 64% over a three-month period as of close on October 10. The company has earned its place as the surest bet among the top producers. On October 9, Canopy increased its licensed platform to 4.3 million square feet now licensed across the country. Canopy is already a powerhouse among the top producers and its footprint will allow it to boost production capacity in the years to come.

Canopy has said that it will operate private retail in every province where it is permitted. Ontario's new framework has failed to dim the optimism of Canopy leadership. Although it will only be allowed one retail location, as per the new guidelines submitted by the Ontario PC government, the company is confident that its brand will stand out and be a staple among the diverse retail network in the country's most populous province.

### **Stars Group (TSX:TSGI)(NASDAQ:TSG)**

Stars Group stock had plunged 39% over the past three months as of close on October 10. On the same day I released an article that [discussed the recent hearing](#) on sports betting in the United States. For now, sports betting lacks a federal framework and individual states have scrambled to move into the market.

New Jersey has, by far, the most mature system in place so far. Sportsbooks in the state took in more than \$95 million in the month of August, with online and mobile platforms posting huge month-over-month user growth. Stars Group recently launched BetStars, an online sports betting brand in the state. A multitude of U.S. states are expected to follow, and Stars Group has the infrastructure to take advantage of the online and mobile betting market across the country.

### **CATEGORY**

1. Investing

### **TICKERS GLOBAL**

1. NASDAQ:CGC (Canopy Growth)
2. TSX:WEED (Canopy Growth)

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1. Investing

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