



## Is HEXO Corp. (TSX:HEXO) or Tilray Inc. (NASDAQ:TLRY) Stock a Buy Right Now?

### Description

The big drop in the share prices of [marijuana stocks](#) in recent weeks has investors trying to decide if this is the best time to buy their favourite cannabis stock.

Let's take a look at **HEXO** ([TSX:HEXO](#)) and **Tilray** ([NASDAQ:TLRY](#)) to see if one deserves to be in your portfolio today.

### HEXO

With a market capitalization of roughly \$1.2 billion, HEXO is one of the “smaller” players in a basket of bigger companies that currently dominate the Canadian medical and recreational marijuana market.

However, the Quebec-based company is putting all the required pieces in place to give it the opportunity to play ball with its larger [peers](#), both in Canada and abroad.

HEXO has more than 300,000 square feet of production space in operation and expects to complete a new 1,000,000 square foot facility by the end of the year. The company has a strong culture of innovation and is planning to offer products across the spectrum of the cannabis market, including cosmetics and consumables.

HEXO recently created a new company, Truss, with its partner **Molson Coors Canada**. The business will develop and market cannabis-infused drinks for the Canadian market. The government is expected to make the sale of cannabis-infused beverages legal some time in 2019.

Overseas, HEXO has a partnership with a Greek company to build a large production facility that will serve as the base for supply medical marijuana to a growing European market.

The stock currently trades at \$6.25 per share compared to nearly \$9 in the middle of October. Due to its strong presence in Quebec and the beverage deal with Molson Coors Canada, HEXO is often cited as a potential takeover target.

## Tilray

Tilray is based in British Columbia, but much of the attention the company gets comes from the United States. The stock trades on the NASDAQ exchange, giving it exposure to a broad investor base. This is great when the market is positive on the sector, as we saw in September when the stock briefly rocketed to US\$300 per share. Today, Tilray trades at US\$95, so there is certainly some volatility.

With a market capitalization of US\$8.8 billion, Tilray is currently the largest marijuana company. **Canopy Growth** currently has a valuation of about US\$8.4 billion.

Tilray is a leader in Canada and has a first-mover advantage in Europe. The company also has partnerships or subsidiaries in other key international markets, including Australia, New Zealand, South Africa, and South America. Tilray is primarily focused on the medical marijuana market and is the only Canadian company that has received permission to import medical marijuana into the United States for research purposes.

## Is one a buy?

Both companies are making the necessary moves to succeed in the emerging Canadian and global cannabis markets. If you prefer to own the biggest players, Tilray's stock is certainly a lot cheaper than it was just a few weeks ago, but investors should be prepared to ride out more volatility.

HEXO might be a good pick for investors who like to bet on smaller companies. Consolidation is expected to continue in the sector, and HEXO will likely be one of the companies that gets bought in the next couple of years. With the recent drop in the stock price, a larger competitor might step in with an attractive offer before sentiment shifts again.

There are other ways investors can get exposure to the emerging cannabis opportunity.

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