



Why Yesterday Was Another Big Win for the Cannabis Industry

Description

Yesterday, Americans went to the polls on many different issues, one of which was marijuana legalization in four different U.S. states. Michigan became the 10th state to legalize recreational marijuana, while Utah and Missouri both opted to legalize the medicinal form.

The only disappointment on the day was North Dakota, which fell well short of legalizing recreational marijuana, gaining just 41% of the vote. However, critics point out that the proposed law may have been too broad as it offered no limits on possession, so it may just need to be reformed in order to get the necessary votes to pass.

Why does this matter for investors?

This is a big win for cannabis investors, because it's yet another milestone for the industry. Although the logistics remain a challenge, companies in the U.S. will be able to expand and reach more consumers.

What may be the most surprising is that a very conservative state like Utah passed medicinal marijuana, which is another great example that attitudes have definitely been changing in the U.S. and that the movement to legalize marijuana is very real.

If one of the most conservative states in the U.S. allows cannabis, the writing is on the wall that sooner or later the federal government will have to consider the issue. And with Democrats regaining control of the House, it may help gain traction, but ultimately, I still wouldn't expect much progress until a Democrat is elected president.

Back in January, you may recall Jeff Sessions [indicated](#) that the federal government could go after cannabis in states where it was legal, and yet we've heard nothing to suggest that has indeed happened.

This tells me that even at the federal level, even with the green light to go after pot shops, there's clearly no appetite in doing so and in meddling in a state's affairs.

Pot stocks could get a boost

Generally, we've seen cannabis stocks jump in price on any pro-cannabis news, and a big state like Michigan opting to legalize cannabis will be welcome news for the industry.

Although TSX-listed stocks can't have an interest in U.S. pot without the threat of being de-listed, it's still important to keep an eye on the developments there, as we could see some more mergers and acquisitions along the way.

Aphria (TSX:APHA)(NYSE:APHA) ultimately [divested](#) from its U.S. holdings in pot and could have been a big benefactor from these developments, so it's probably more than a little frustrating for the company to see all this progress happen since then, although it's likely to come as no surprise.

Aphria is one company I would expect to be one of the first to jump at the chance to invest heavily in the U.S. market once it becomes legal to do so. However, by that point in time, those companies could be even bigger than Aphria and other pot stocks in Canada.

Overall, pot stocks should see some bullishness as a result of yesterday's results, and it could be the start of yet another big rally.

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