



Why Canopy Growth Corp. (TSX:WEED) Stock Could Soar to \$100 by Year-End

Description

Just last week, when the fears and pessimism of cannabis investors were at their peak, I was pounding the table on **Canopy Growth** ([TSX:WEED](#))(NYSE:CGC) stock, claiming that shares were a [strong buy](#) on the dip at under \$50. Fast-forward to today and shares have shot back up to \$60, resulting in a quick 40% gain for those who bought on my strong buy recommendation published on October 29.

Cannabis stocks are smokin' again

Now that the marijuana market's biggest villain, U.S. attorney general Jeff Sessions, is out of office with his pink slip from President Trump, I think we could be in for another massive year-end rally as investors continue to grow more euphoric over marijuana's potential south of the border. And while it may be tempting to reach for the highest flying stock in **Tilray**, which popped over 30% on the Sessions' firing, I'd still encourage risk-averse marijuana investors to stick with Canopy if they're looking to invest in and not trade plays in the marijuana market.

Why \$100 Canopy is probably in the cards by year-end

Canopy has fallen to a lesser magnitude than that of your average pot stock, and it's soared to a greater magnitude on the recent bounceback. And while shares may seem like they have less upside due as they're seen to trade at a rich premium over most other pot stocks, I'd say that [premium multiple](#) is more than worth the price of admission when you consider the company's distinct advantages.

As we head deeper into the legalization era, I believe the valuation gap between Canopy and its peers will widen substantially once Canopy has the opportunity to live up to its full potential.

In the meantime, we're heading into another holiday season, a time that's been very kind to marijuana stocks over the past few years. The seasonal Santa Claus pot rally repeat this year, and if it's as potent as previous Santa Claus rallies, we could see pot stocks experience triple-digit percentage gains in a matter of weeks.

I suspect Canopy will lead the charge, as it has so many times in the past with its strong portfolio of recreational brands, excellent stewardship, and a healthy balance sheet that appears indestructible

with Constellation Brands in its corner.

Foolish takeaway

Will Canopy bolt past \$100? I think it's more than likely when you consider many weak-handed crypto speculators will be there to amplify the next round of upward momentum. Moreover, as we head into a season of technical strength, the probability of more frequent material headlines from south of the border, I believe, has increased now that Jeff Sessions has come to the end of his session.

While all marijuana stocks will be trading together, I'd urge you to just stick with Canopy. It's the best risk/reward trade-off, it's got the financial backing, and as far I'm concerned, it's the only stock with a support level!

Stay hungry. Stay Foolish.

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