2 Pot Stocks With More Upside Than Canopy Growth Corp (TSX:WEED)

Description

Canopy Growth Corp (TSX:WEED)(NYSE:CGC) has been the big-name cannabis stock for some time, but with investors selling off their gains, its time in the sun may be done. Earlier this year, Canopy Growth looked unstoppable after breaking through $70 a share.

However, that excitement has cooled significantly in recent weeks, and at $40 a share, not only is it a long way from its peak, but it's also not likely to produce significant returns for investors either. For the stock to double in price, it would have to hit $80, which, given its struggles lately, seems unlikely.

The company isn't even coming off a strong quarter to get investors excited about it. Canopy Growth has actually been a bit stale and looking like it's ready to ride off into the sunset.

It simply doesn't have the hype around it that it once did, and for an industry where expectations and image are everything, Canopy Growth might not be the best buy in the industry anymore.

Below are two stocks that could be much better options for investors looking to get good returns from the cannabis industry.

MedMen Enteprises Inc (CNSX:MMEN) is on the Canadian Securities Exchange, and its many locations across the U.S. give Canadian investors a great opportunity to stake out an early position in an industry that's still very restricted south of the border.

Although legalization is making progress in many U.S. States, until we see the federal government permit marijuana sales, we won't see much traction out of MedMen or other U.S. pot stocks.

MedMen has declined a whopping 24% in just the past month, and it could be a good time for investors to load up on the stock, which hasn't been this low since August. And the company is coming off a recent acquisition that will see MedMen's reach expand into even more states.

Its **Apple**-like store layout has proven to be popular among consumers, which has led to strong sales thus far. This stock is in its very early stages, and for it to double in value it would not even hit its 52-week high.

Hexo Corp (TSX:HEXO) has also struggled lately, but not to the lengths that other pot stocks have. In the past month its stock has dropped by 2%, but over the past three it is actually up more than 7%.

Like Canopy Growth, Hexo inked a deal with a beverage maker earlier in the year, although it hasn't been hyped up nearly as much. However, that's good for investors because it means there's a lot more untapped potential for Hexo than there is for Canopy Growth.

While the stock may not be trading at its low, it's still well off its high of more than $9 per share. Hexo has accumulated more than $12 million in sales over the past 12 months, and it too is still a relatively small stock that could possess a lot of upside for investors that buy today.

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