

2 Top Marijuana Stocks to Watch in 2019

Description

Heading into 2019, we are coming off the bursting of the [marijuana bubble](#).

And now we are also seeing more partnerships and deals, which are increasingly giving the marijuana industry more credibility.

Just this week, another big partnership with a big multinational company was announced. This time it's **Anheuser Busch Inbev NV** ([NYSE:BUD](#)) partnering with **Tilray Inc.** ([NASDAQ:TLRY](#)) to research cannabis-infused drinks.

This legitimizes Tilray, it legitimizes the marijuana industry, and it takes away more of the doubt and uncertainty that investors and businesses have regarding the marijuana industry.

And it comes on the heels of U.S. cigarette maker **Altria Group Inc.**'s ([NYSE:MO](#)) announcement that they are buying 40% of **Cronos Group Inc.** ([TSX:CRON](#))(NYSE:CRON) in a \$1.8 billion investment that will give Altria 45% ownership of the company.

For its part, Altria is counting on this move to help it combat the continued decline in cigarette sales, and it demonstrates the company's confidence in Chronos.

Valuation risks slowly subsiding

As marijuana stocks decline, a big risk in the space is subsiding, thereby improving the risk/reward tradeoff, as valuations make their way back to more realistic levels. And although they are still far off of, they are at least closer.

Two marijuana stocks to watch in 2019:

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

Canopy is one of the leading marijuana stocks, with one of the most extensive global presences, with operations in 12 countries across five continents.

With 10 licensed cannabis production sites and over 4.3 million square feet of production capacity, Canopy is the largest marijuana producer with an unmatched portfolio of partners.

Partners such as Constellation Brands, which currently has a 38% stake in Canopy Growth.

While Canopy has fallen prey to what most marijuana stocks in general have struggled with, namely rising costs, shareholder dilution, and heightened risk due to the industry being in its infancy, Canopy stock is the leader.

Cronos Group Inc.

In its latest quarter, Cronos' revenue increased 186%, as this \$2.7 billion market cap company continues to expand its global footprint.

The Altria partnership is game-changing for Chronos, and it is this type of confidence and financial backing that gives me confidence in this marijuana stock.

Final thoughts

Marijuana stocks will likely remain [volatile](#), and although valuations are lower, they are still high, so caution is warranted.

For investors that would like to invest in a marijuana stock, Canopy Growth and Cronos stock are ones to watch, as deals and partnerships continue to legitimize this industry and these marijuana stocks.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NASDAQ:CGC (Canopy Growth)
2. NASDAQ:CRON (Cronos Group)
3. NASDAQ:TLRY (Tilray)
4. NYSE:BUD (Anheuser-Busch InBev SA/NV)
5. NYSE:MO (Altria Group, Inc.)
6. TSX:CRON (Cronos Group)
7. TSX:WEED (Canopy Growth)

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