



## Should You Buy Tilray Inc. (TSX:TLRY) or Canopy Growth Corp (TSX:WEED) Stock?

### Description

Cannabis stocks are enjoying a nice recovery to start 2019, and investors are wondering which [marijuana companies](#) might be the best picks right now.

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

### Tilray

Based in British Columbia, Tilray remained private for longer than most of its peers, but when it finally decided to list on the NASDAQ, the stock quickly became a big hit among American investors. The decision to list in the U.S. gave Tilray much greater exposure to a wider investing audience, but also set it up for more volatility.

The stock went public near US\$20 in July and quickly moved higher, as enthusiasm grew around the marijuana sector. By early September, it was above US\$100 per share and hit an intraday high of US\$300 on news that the company had received approval to send marijuana to the U.S. for a medical research program.

Shortly afterwards, the Canadian recreational launch came up short on supplies, and that sent the entire sector into a tailspin. Tilray fell from US\$200 per share in September to a closing low near US\$66 in December. Since then, the stock has drifted higher and currently trades at US\$85.

A number of developments have given the stock some near-term stability. Tilray has announced partnerships with large international pharmaceutical and beverage companies to develop products for the medical and recreational markets that are expected to open around the world.

Despite the new enthusiasm, the stock remains extremely expensive based on its current revenue stream, and investors should anticipate ongoing volatility.

## Canopy Growth

Canopy Growth is widely viewed as the leader in the cannabis sector, partly due to the endless marketing of the company by its likable CEO.

Canopy has also taken measured steps over the past few years to build a solid base across a wide spectrum of opportunities in the cannabis sector. The company made strategic acquisitions in both the branded goods and medical research segments. In addition, Canopy Growth sold a 38% stake to **Constellation Brands**, a beer and spirits company, for more than \$5 billion. The two firms are developing cannabis-infused beverages for the upcoming Canadian edibles market.

On the medical side, Canopy Growth is the leading player in Canada with the largest list of registered medical marijuana patients.

In the United States, Canopy Growth just received a licence to grow hemp in New York. This is viewed as a big step for the industry and the company, as the U.S. is widely expected to eventually make the sale of marijuana legal at the federal level.

Canopy Growth has a distribution business in Europe and is building large production facilities in the region. It has also established operations or partnerships in Australia and South America.

The stock hit a high around \$76 in October before sliding to \$36 in late December. The recent rally has the share price back above \$55.

## Is one a better bet?

Both Tilray and Canopy Growth should emerge as top names in the sector once all the dust settles and the weaker players get squeezed out.

If you only choose one, I would probably make Canopy Growth the first pick right now based on the Constellation Brands investment and the strong position in both medical and recreational segments in Canada and abroad.

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2. NASDAQ:TLRY (Tilray)
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### Date

2025/07/06

### Date Created

2019/01/17

### Author

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