

Why This Little-Known Pot Stock Could Be the Next to Take Off!

Description

Pot stocks have been on the rise again early in 2019 and it's getting harder to find stocks with much upside left in the industry. A stock like **Canopy Growth Corp** ([TSX:WEED](#))(NYSE:CGC) that trades at more than 200 times its sales and has already risen more than 75% through just the first month of the year isn't going to have much more room to grow. Only the most bullish of marijuana investors would have you believe that Canopy Growth can continue to have much more upside from here on out.

With the company significantly missing its sales targets [last quarter](#), concerns over whether it will be able to live up to expectations aren't going away anytime soon. In a few weeks, the company will release its next quarter's results, and unless it makes up for that big miss, we could see another big correction in its share price. For now, the company has been riding the wave from news that it had secured a [license](#) to produce hemp in the State of New York and that it will be setting up its operations south of the border soon.

The problem is that in the U.S., Canopy Growth will face even more competition and may not be as strong a brand as it is in Canada. And so the growth options for the stock may be a bit over-hyped, yet again. That's why investors looking for a good stock to invest in may be better off looking at other options instead.

Recently-listed pot stock shows lots of promise

Cresco Labs Inc. ([CNSX:CL](#)) started trading on the Canadian Securities Exchange back in December. The U.S.-based pot stock is involved in every step of the seed-to-sale process and is able to ensure a high quality product is delivered to its customers. By having 16 retail locations, Cresco is able to control every aspect of the customer experience, giving it a significant advantage over many of its peers, including Canadian cannabis companies that face significantly more restrictions.

The company already has a strong presence in the U.S. with operations in as many as eight states. And as more states move to legalize pot, the options for Cresco will only continue to grow. With the farm bill being recently passed in the U.S., it could also be a lot easier for Cresco to move hemp-based products across the country, without the need to have to actually operate in the state that it plans to sell its products in.

In its most recent quarterly results, the company generated more than US\$12 million in sales, which is more than quadruple the revenue it generated just a year ago. The company was also able to generate a solid net income of more than US\$3.9 million, a very impressive feat given that it didn't have significant gains boosting its profits. In fact, Cresco had an operating gain, which is very rare for cannabis stocks.

Cresco is still flying under the radar and the stock could be a great buy for those looking to find a deal.

CATEGORY

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2. TSX:WEED (Canopy Growth)

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