

Is Canopy Growth (TSX:WEED) Stock the Best Pot Stock to Buy Now?

Description

After seeing the eye-popping gains in **Canopy Growth Corp.** ([TSX:WEED](#))(NYSE:CGC) stock this year, it's a reasonable question to ask by investors: have they already missed the boat?

No doubt the rally in this [largest marijuana producer](#) has been stunning. After falling to around \$40 a share in early January, Canopy Growth stock has rebounded strongly, gaining about 60% in the matter of just five weeks.

That level of ups and downs isn't unusual in this highly unstable segment of the market, but there is a clear difference in the current momentum that we're seeing in Canopy stock.

In my opinion, investors have realized that it's relatively safe strategy to stick with the biggest and the best stocks in the fast-evolving pot industry. Let's take the example of **Aphria Inc.** stock.

It went down so fast after a damning report by a short-seller late last year who raised questions about the company's deal making in the overseas markets. The allegation destroyed the shareholders' value and forced the company to look for a new CEO.

In my view, Canopy Growth is one marijuana stock where investors are relatively safe and are unlikely to see a big negative surprises. The reason behind this optimism is that the company is already ahead in the game and has been through a major scrutiny when **Constellation Brands** acquired a major stake in Canopy last year.

Canopy Growth stock: global expansion continues

What makes Canopy different from other producers is its market size, capacity to ramp up production, and diversity of product offerings, alongside its international reach. Canopy currently operates weed-growing facilities with over 2.4 million square feet of space.

But the producer has been expanding its operations quickly, which will deliver the potential to manage more than five million square feet of production space by next year.

In the latest development, [Canopy Growth](#) has formed a company with a U.K. researcher of cannabis-based therapies after the British government moved to liberalize the use of medical marijuana.

The new company, formed with **Beckley Canopy Therapeutics Ltd.**, aims to make products available in Britain from early this year. The government made it legal for specialist doctors to prescribe medical marijuana for patients with severe clinical need in November.

Earlier, Canopy acquired a hemp licence in New York State as part of its plan to build an extraction and manufacturing facility. GMP analyst Martin Landry, who raised the stock price target to \$70 from \$50, said in a recent note that CBD-based consumer products could amount to a combined U.S. market size of \$50 billion.

Bottom line

With the fast-paced global expansion and leading position in the Canadian market where recreational pot is now legal, Canopy Growth seems to be the safest bet for the long-term investors seeking exposure in this area.

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