



Invest Like the Rich With Canadian Cannabis and Gold Stocks

Description

Up 12.03% in the last five days at the time of writing, **HEXO** ([TSX:HEXO](#)) has the power to reward with some serious upside. Though it nosedived at the start of October, it's been climbing since the end of December and looks like a favourite for the king of the weed stocks. Add in hefty overvaluation against its future cash flow value and a beta of 3.01 relative to Canadian pharma and you have some decent momentum stats.

HEXO insiders have sold more shares than they have bought in the last three months, continuing a trend that typified the last 12 months insider patterns. However, there is still considerable upside potential here, and just because some other buyers cashed out doesn't mean it's too late to ride the HEXO rocket.

At P/B of 3.8 times book, this debt-free marijuana stock isn't too badly valued, especially when considering that with 90-day returns of 63.8%, this stock could make a lot of rich folk a whole lot richer. Looking at a 66.7% expected annual growth in earnings, HEXO looks like a superior choice right now for [Canadian cannabis](#) bulls.

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

Up 0.1% in the last five days, there's a lot less momentum here at the moment than in the last stock. Still, its packing some decent momentum, overvalued against the future cash flow value, and with a beta of 2.95 against the Canadian pharma industry.

A clean balance sheet typified by a comparative debt level of 10.7% of net worth and lower per-asset valuation than HEXO, with a P/B ratio of 2.9 times book, Canopy Growth's 90-day returns of 46.8% are lower than those of its competitor, but still significantly high. Meanwhile, a high 113.8% expected annual growth in earnings makes this ticker a capable co-pilot for a cannabis portfolio.

Barrick Gold ([TSX:ABX](#))(NYSE:GOLD)

More shares have been bought than sold by Barrick Gold insiders in the last three months, and in very high volumes; this continues a trend that has persisted throughout the last six months, and suggests that this [TSX index gold miner](#) is going to go places.

Up 0.52% in the last five days, it's not the kind of stock that excites momentum investors as much as weed does these days, though with a 69.7% expected annual growth in earnings on the cards, as well as a dividend yield of 1.22%, there's a lot to recommend it. Trading at a 30% discount off the future cash flow value, and at twice its book price, Barrick Gold is solid, with a five-year average past earnings growth of 56.6%.

Compare this with something like a lithium stock, such as the popular **Lithium Americas** ([TSX:LAC](#))([NYSE:LAC](#)). Up 8.46% in the last five days, Lithium Americas almost looks more like a pot stock than a miner, with 30-day returns of 46.8% and a 40.9% expected annual growth in earnings. It's done sturdy trade these past 12 months, with an expected earnings growth rate of 20.5%.

The bottom line

Miners are all the rage at the moment and are a popular accompaniment to cannabis stocks. Indeed, more shares in Lithium Americas have been snapped up than shed by insiders in the last nine months, suggesting that confidence in metals is high among those in the know. Those looking for high capital gains have plenty to choose from on the TSX index at the moment, with some large profit margins to be had in two high-growth industries.

CATEGORY

1. Cannabis Stocks
2. Dividend Stocks
3. Investing
4. Metals and Mining Stocks
5. Stocks for Beginners

TICKERS GLOBAL

1. NASDAQ:CGC (Canopy Growth)
2. NYSE:B (Barrick Mining)
3. NYSE:LAC (Lithium Americas Corp.)
4. TSX:ABX (Barrick Mining)
5. TSX:HEXO (HEXO Corp.)
6. TSX:LAC (Lithium Americas Corp.)
7. TSX:WEED (Canopy Growth)

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