



2 Marijuana Stocks to Watch In April

Description

The marijuana industry is currently on an unstoppable upward trajectory. Global marijuana production and sales are set to reach incredible new heights by 2022. While the industry isn't [without its risks](#), now is the perfect time to take advantage of the opportunity.

Though about half a dozen pot companies garner most of the attention from investors and analysts, a few small-cap firms are worth a mention. Let's look at two marijuana firms that you should keep an eye on.

iAnthus Capital Holdings

Vancouver-based **iAnthus Capital Holdings** ([CNSX:IAN](#)) focuses on the U.S. medical marijuana market. While the recreational market is an obvious opportunity that many companies in the sector are planning to exploit, medical products tend to carry higher margins overall. The U.S. is the largest marijuana market in the world, and iAnthus already has solid footprints south of the border.

Last October, the company made a huge move when it acquired U.S. based cannabis firm MPX Bioceutical Corp. The acquisition is still the largest U.S.-based marijuana acquisition to date, and the combined company operates in 11 states, with 63 retail locations and 15 cultivation and processing facilities.

As things stand, iAnthus has access to over 120 million customers, than three times the population of Canada. Last year, iAnthus' stock price soared by more than 100% despite global equity markets tanking during much of the second half of the year. The pot company's stock is already up more than 25% this year.

Despite these encouraging signs, iAnthus is guilty of the same sin as many of its peers: the firm has had to issue a lot of stock to finance its growth. Whether this comes back to haunt them remains to be seen, but iAnthus is a cheaper alternative to larger pot companies.

Emerald Health Therapeutics

Emerald Health Therapeutics (TSXV:EMH) has been a busy bee in recent months. The Vancouver-based firm made several moves that should appeal to investors. Emerald Health Therapeutics formed a joint venture with Emerald Health Bioceutical (in which it owns 51%) that will be known as Emerald Health Naturals (EHN).

ENH will focus on producing high-margins non-cannabis nutritional supplements, thus diversifying EHT's product line. Further, Emerald Health formed another joint venture (known as Pure SunFarms) with Village Farms International. This venture will boost Emerald Health's production capacity by some margin, with a real possibility to vastly expand production levels with its largely unused 3.7 million square feet of land.

Being able to produce more than the competition will be one of the keys to success in a very competitive pot industry. Once Emerald Health completes all of its ongoing projects, the firm should be able to produce somewhere around 100,000 kilograms per year, which is very respectable. However, these projects shouldn't be completed for at least another year or so.

Emerald Health has also directed more focus toward products that carry higher margins than dried cannabis. Will these moves yield tangible profits for Emerald Health? No one can say for sure. But it would be wise to keep this little-known pot stock on your radar as the cannabis industry continues to expand.

Investor takeaway

The growth of the marijuana sector hasn't gone unnoticed, but many pot stocks have. Emerald Health and iAnthus both have market caps of less than \$1 billion and do not carry the same aura as much larger cannabis companies. While I wouldn't pick either one of them as my top pot stocks, they are worth more recognition than they get.

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