



2 Pot Stocks That Are up Over 50% Year to Date (And 1 That's Struggling!)

Description

It's been an interesting year for pot stocks, as we saw a big sell-off happen after legalization in October and then a strong recovery early on in 2019. Below, I'll look at two stocks that have done very well lately and one that's struggled that might be an option for investors to buy on the dip.

Cronos Group ([TSX:CRON](#))([NASDAQ:CRON](#)) has risen more than 60% early on this year, and that's with the stock going on a decline of more than 19% in just the past month. Back in December, tobacco giant **Altria** made a big \$2.4 billion investment in Cronos that helped propel the stock in value. With lots of capital, a big company like that can certainly help Cronos grow while also providing guidance on how to do so. After all, if there's an industry that knows how to be successful amid a lot of red tape, it's tobacco.

Although Cronos had a strong [Q4](#) last month, the stock ended up declining on the results. With a lot of expectations built into its share price already, the challenge is finding ways for investors to continue bidding up the price. Cronos trades at nearly 500 times its sales, which is an astounding multiple even in the cannabis industry.

Hexo ([TSX:HEXO](#)) has done even better in 2019 with its stock price up around 80%. The company got a boost when it announced it was [acquiring Newstrike Brands](#). The move will help to strengthen Hexo's capacity and its brand, bringing in a popular company backed by the Tragically Hip. The acquisition shows that Hexo is serious about being one of the bigger players in the industry, and combined with its strong quarterly results earlier in the year, it has generated a lot of excitement among investors.

However, the best could be yet to come for the company, as Hexo has been working with **Molson Coors Canada** on cannabis-infused beverages. And with edibles set to be legalized later this year, the stock could take off in a hurry once we see some progress on that front.

Tilray ([NASDAQ:TLRY](#)) hasn't seen the same bullishness that other pot stocks have, dropping by 20% since January. The big reason for the decline has been the company's Q4 results, where Tilray posted a big loss despite showing sales tripling from the prior year.

With the stock already being an expensive buy, rising sales may simply not be enough for the share price to rally. After all, Tilray is still up 150% over the past 12 months and is one of the biggest pot stocks in North America. Although the company is making some good moves, like acquiring Manitoba Harvest and positioning itself for the hemp market in the U.S., investors are also going to want to see that a company is financially sound.

Tilray has a lot of potential, but it needs to find a way to get its costs under control, as losses are going to start to weigh on investors, especially amid concerns for the economy as a whole.

CATEGORY

1. Cannabis Stocks
2. Investing

POST TAG

1. Cannabis
2. Editor's Choice

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1. NASDAQ:CRON (Cronos Group)
2. NASDAQ:TLRY (Tilray)
3. TSX:CRON (Cronos Group)
4. TSX:HEXO (HEXO Corp.)

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Author
djagielski

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