



The 3 Best Marijuana Stocks for May

Description

It's an exciting time for the cannabis industry. Following the opening of brick-and-mortar cannabis stores in Ontario, marijuana stocks have once again gone on the upswing, with **Canopy Growth** ([TSX:WEED](#))(NYSE:CGC) in particular approaching all-time highs.

After last year's weak winter, marijuana producers have started posting post-legalization earnings, and so far the results have been fairly encouraging. Although most of them are still running operating losses, revenue growth is higher than it's ever been, and positive net income is becoming a more common sight on these companies' quarterly reports.

With that said, not all marijuana stocks are created equal. As we saw with **Aphria**, insane growth doesn't guarantee you won't lose money, and massive expenses continue to be a concern for many stocks in the marijuana sector.

May is a special month for marijuana stocks, as several of them will be posting results from their *second* full quarter of legal adult consumer use sales. This is important because it will tell us whether the strong earnings seen in fall of 2018 will last or fall after the novelty of legal pot wears off. With that in mind, here are three pot stocks that are likely to outperform their peers as we head into May.

Canopy Growth

Canopy Growth is the king of the cannabis castle by revenue and market cap. In Q3, it grew revenue by 280% year over year and posted its first high net income figure ever. Operating income was still negative, but the loss was down from Q2. Investors seem to be optimistic about Canopy's prospects, as they've sent the stock [soaring 61%](#) so far this year (as of this writing).

CannTrust Holdings (TSX:TRST)(NYSE:CTST)

CannTrust is another marijuana stock that has done well this year and has long been one of the best in its class in terms of profitability. As of this writing, it has risen 37% year to date thanks to its strong

growth.

On the con side, the company lost money in 2018 thanks to its increased investments in expansion. This ends CannTrust's run as one of the few operationally profitable cannabis companies, but if the investments pay off, it may be worth it to investors in the end.

Organigram Holdings ([TSX:OGI](#))

Organigram Holdings is one of the smaller marijuana stocks out there, but it's rapidly growing, up 58% year to date in the markets. In its most recent quarter, the company grew earnings by 693% year over year, making it one of the fastest-growing marijuana producers in the world.

The company is relatively profitable, having produced diluted EPS of \$0.12 in its most recent quarter, which gave it a P/E ratio of 54 — not bad for a company growing at 600%. The company has also posted [positive operating income](#) in some quarters, a milestone the larger weed stocks have yet to hit.

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2. TSX:OGI (OrganiGram)
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Date

2025/08/26

Date Created

2019/04/27
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andrewbutton

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