



3 Cannabis Stocks That Could Benefit the Most from U.S. Legalization

Description

Cannabis continues making progress in the U.S. as Illinois recently passed into law a bill that will see it become the 11th state to legalize marijuana for recreational use — and more states that are likely to do the same. Both New York and New Jersey have shown an interest in legalizing cannabis, although the only question is when.

The growth in the U.S. markets is going to create many opportunities for cannabis stocks once marijuana becomes legal federally, and here are three that might be the best buys today:

Canopy Growth Corp ([TSX:WEED](#))(NYSE:CGC) is an obvious beneficiary of a growing market since it is, after all, betting on legalization coming sooner rather than later for its [deal](#) with **Acreage Holdings** to go through. Once it is able to be finalized, it will instantaneously make Canopy Growth a major player in the U.S. and worldwide. With more resources and operations to take advantage of, Canopy Growth will be able to rival some of the big multi-state operators in the country.

The company is building on its capacity to produce cannabis, but with the Canadian market offering limited growth, there's only so much that it can do within its borders in comparison to what's available in the U.S., one of the key reasons Canopy Growth and other Canadian cannabis companies have looked across the globe for more growth opportunities. Once the U.S. market opens for business, however, Canopy Growth might be in the pole position to take advantage of it.

Charlotte's Web ([TSX:CWEB](#)) already has a big presence in the U.S. in the legal hemp market. Since it is [listed on the TSX](#), it too will have to play by the same rules that Canopy Growth is limited by. Although it could start selling CBD products not derived from hemp in states that have legalized it, that would run contrary to federal laws and would not be in compliance with the **TSX**.

However, because Charlotte's Web already is in thousands of retail locations across the U.S., once cannabis is legalized it will have a huge advantage with consumers. Having had a big head start in building and developing a brand. When it comes to medical marijuana, trust is important, and the company will have a lot of time to build that with consumers.

When legalization takes place, Charlotte's Web can piggyback off its existing network of retailers, giving

it an easy way to grow its reach by adding new products into circulation.

Trulieve Cannabis Corp ([CNSX:TRUL](#)) is also a multi-state operator, but unlike the above two companies, it is listed on the **Canadian Securities Exchange** (CSE). Thanks to the CSE's looser requirements, Trulieve can expand to any states that have legalized cannabis. With a strong presence already in Florida, the company has set its sights on Massachusetts, California, and most recently, Connecticut.

Trulieve has the advantage of being able to establish a presence in these locations well before the TSX-listed stocks, giving it an early jump on future competition. Once legalization occurs, we might see Trulieve switch over to the **NYSE** and TSX at that point in time. For now, however, it can stay on the CSE and continue growing its brand.

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