



3 Reasons Why Cannabis Stocks Make Better Investments Than Cryptocurrencies

Description

Cryptocurrencies have been among the best-performing asset classes over the past year, with returns on [Bitcoin \(BTC\)](#), the world's leading cryptocurrency, outpacing even those of **Horizon's Life Sciences Marijuana ETF**.

But while BTC and cryptos have certainly been hot to start 2019, here are three reasons why cannabis stocks still stack up as the superior investment opportunity — at least in theory.

Cannabis is a tangible good

The cannabis plant and its associated by-products, including capsules, gels, oils, and creams are real, tangible things. That means you can hold them, touch them, and feel them.

Cryptocurrencies fall into the category of “digital” or, some would argue, “virtual” assets, meaning that they don't truly exist beyond the networks that service them.

Now, the same could be said for the service industry in general, in that you can't physically hold or take possession of the services of an accountant, lawyer, or doctor.

The fact that cryptos aren't a tangible asset doesn't necessarily mean they can't — or don't — hold any value; it just means that they're relatively more “uncertain” — or “risky” — by their very nature.

Cannabis offers a measurable benefit to society

Ignoring for a moment the aspect of recreational cannabis, what your opinion is of it, and whether you think it poses a real benefit to society, there is, at least at this point, very compelling scientific evidence to suggest that the cannabis plant — including its chemical compound cannabidiol, or CBD — contains very real medical benefits.

You can also make the argument that while certain aspects of blockchain technology appear to hold the promise of offering real technological breakthroughs that could one day be of great benefit to society, the allure of cryptocurrencies as an asset class could very well fall into a different category altogether.

It remains to be seen at this point how the adoption of crypto assets as a widely accepted medium of exchange would do anything beyond transferring the balance of wealth, power, and control from one group of actors to another.

Cannabis is heavily regulated by government

Cannabis stocks have soared since it became apparent that Canada was on its way to legalizing the drug.

Federal legalization has done much to quell fears around the safety and health risks that would be associated with legalizing the formerly Schedule one drug, yet for the most part crypto currencies remain very much in the “grey zone” operating with limited oversight and regulations.

In order to win the trust and faith of large institutional investors the crypto industry still has quite a bit of its work cut out for it, particularly as it operates in the highly regulated financial services industry.

Foolish bottom line

One of my favourite stocks within the cannabis space right now is **Charlotte’s Web Holdings** ([TSX:CWEB](#)).

[CWEB stands out](#) among so many other cannabis stocks because it doesn’t actually sell any medicinal or recreational marijuana or marijuana-derived products.

Instead, Charlotte’s Web is the world’s leading brand by market share in the production and distribution of innovative hemp-based cannabidiol or CBD-based wellness products.

With over 6,000 retail locations currently, along with 675,000 pounds of hemp produced in 2018 and 700 acres more scheduled for planting in 2019, this is a company well positioned to capitalize on the growing demand for CBD products and their associated health benefits without any unwanted psychoactive side effects.

Shares in CWEB are up more than 34% in this week’s trading yet still trade well below their 52-week highs.

Now might be a good time to look at this CBD-specialized producer and cannabis stocks in general.

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