



This Marijuana Stock Has Been 1 of the Hottest IPOs of the Past Year!

Description

Investing in IPOs is always a [risky](#) proposition. Not only does the company that starts trading need to have good numbers and financials, but it also needs to be priced well. Even if a stock looks promising, if investors are paying too big of a premium right off the bat for it, the share price might not have a lot of room to rise.

While the profits earned from buying IPOs can be significant, they are by no means a sure thing. A quick look at how volatile **Twitter** has been since its issue is proof of that.

While everyone hopes to see a new issue perform like **Beyond Meat** ([NASDAQ:BYND](#)), it just isn't the norm. **Jamieson Wellness Inc** ([TSX:JWEL](#)) has been trading for two years now, and its life-to-date returns are only around 19%. Although the company has a solid brand and has generated impressive sales growth over the years, investors haven't been overly excited for the vitamin company.

Although it looked to be an [attractive IPO](#) to purchase at the time, it hasn't been able to produce the impressive results that we've seen with some more popular new issues. Part of its lack of strong returns is likely due to its lack of profitability and the industry that it operates in. However, as we've seen with Beyond Meat's success, it's not just tech stocks that can generate a lot of excitement.

Unfortunately, for Jamieson, the company did not have a revolutionary technology or something to really drive a lot of excitement around the company the way Beyond Meat did with plant-based burgers.

Ultimately, it's the hype factor that will often dictate an IPO's success early on. That's where a tech company can have a big advantage over a vitamin maker like Jamieson.

One industry that doesn't lack a lot of excitement is cannabis. The challenge there, however, is that there are a lot of IPOs as new companies are always chomping at the bit at being the next big cannabis stock. Few are able to generate considerable hype, but one that has been the exception to that is **Cresco Labs** ([CNSX:CL](#)) which began trading on the **Canadian Securities Exchange** back in December.

The multi-state operator has been a big player in the growing U.S. cannabis market and has seen its

share price double since its IPO.

The company has built itself up as more of a conventional business than a typical cannabis company. It has focused on getting the fundamentals right and on getting the right people with the right backgrounds in place. It has executives from banking and other industries helping create long-term value for shareholders.

It has also gotten into the mergers & acquisitions game as well with its recent purchase of **Origin House**, which will give it a big presence in California.

Although Cresco Labs is still early on its operations, it could prove to be a big force in the industry. It has the assets it needs to succeed and with investors more focused now on a company that's not just growing sales but that's also well run, Cresco could quickly rise to the top of the list for cannabis investors.

CATEGORY

1. Cannabis Stocks
2. Investing

POST TAG

1. Cannabis

TICKERS GLOBAL

1. TSX:JWEL (Jamieson Wellness Inc.)

PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

Category

1. Cannabis Stocks
2. Investing

Tags

1. Cannabis

Date

2025/08/26

Date Created

2019/07/12

Author

djagielski

default watermark