



## Cannabis Stocks Are Getting a Pre-Edibles Boost

### Description

This fall, the Canadian cannabis industry will get rebooted. Cannabis 2.0 will see the inclusion of edibles and other marijuana-infused consumables hit the legal market in an event that is sure to stimulate the “green gold” section of the **TSX**.

The anticipation of this perceived boost is already showing itself as bullishness in the sector, with a newly debuted stock seeing satisfactory upward momentum.

### It's time to party like it's 2018 all over again

Up 11.56% at the time of writing, **Avicanna** ([TSX:AVCN](#)) is on a mission to lead the medical cannabis market. A newcomer on the TSX, the company is one of a raft of IPOs set to appear on Canada's largest stock exchange this year.

Producing a range of healthcare and consumer cannabis products, the newly listed grower is a research-driven company that [belongs on a marijuana investor's radar](#).

With cultivation centred in Colombia in the form of a pair of majority-owned subsidiaries, Avicanna grows and processes cannabis for the production of extracts and cannabinoids.

As such, Avicanna is able to process purified forms of cannabidiol (CBD) and tetrahydrocannabinol (THC), and leads the new wave of marijuana growers to hit the TSX in 2019. The next name to debut in this space will be Israel's **Breath of Life International**.

Growth investors looking for positive signs also took kindly to the news that **Curaleaf Holdings** ([CNSX:CURA](#)) had gobbled up GR Companies (also known as Grassroots).

This continues Curaleaf's strategy of acquisition and consolidation, a process which is likely to result in the future **Coca-Cola** and **Bayer** equivalents of the cannabis world. Indeed, it's companies exhibiting exactly this strategy that are the soundest long-term plays.

## Paranoid about growth? Look for companies with the munchies

Consolidation is a smart move if a company can afford the outlay. By snapping up one's rivals, a grower removes some of the competition while also cutting production and development costs.

On top of these synergies, a big company acquiring smaller ones can boost its own growth while instantly increasing its market share. Already big names such as **Canopy Growth** could become major corporations via this kind of move.

As growth is the name of the game in cannabis, the use of this strategy is therefore indicative of a strong investment going forward. Indeed, Curaleaf's stock jumped 21.74% last week on the news of its latest buyout, illustrating just how smart a play this is.

The trend looks set to continue, too, with Curaleaf being [a key stock to keep an eye on](#) if the potentially higher growth of CBD and the provable and expanding American market excite you.

## The bottom line

With Avicanna's debut last week and further cannabis IPOs on the way, investors have a lot to chew over even before edibles hit the legal Canadian market.

While pundits are divided on whether Canada or the U.S. will lead the charge, the fact is that North American marijuana has the potential to become one of the fastest-growing industries of the next decade, with acquisition-hungry companies among the top long-term investments.

### CATEGORY

1. Cannabis Stocks
2. Investing

### TICKERS GLOBAL

1. TSX:AVCN (Avicanna Inc.)

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