



## 3 Reasons Why Now Could Be a Great Time to Invest in Cannabis

### Description

Investors have been down on pot stocks this year, but now could be an exciting time to get back in if you've stepped away from the cannabis industry. Although the dust may not have settled just yet from this recent round of sell-offs, there are some great opportunities out there for investors willing to take give cannabis another look. Below are three reasons why now might be the perfect time to buy.

### Pot stocks haven't been this cheap in a long time

Despite the industry growing rapidly in recent years, some pot stocks are trading at very low values. There's no better example of that than **Canopy Growth** ([TSX:WEED](#))(NYSE:CGC). The last time the stock was trading consistently below \$30 a share was back in April of last year. On Tuesday, the stock was trading below \$33 and continued to make progress towards a new low.

While it may be unlikely for the stock to trade below \$30 for more than just a brief period of time, it highlights just how big of a decline Canopy Growth has been on lately. A market cap of more than \$10 billion is still high for the company, but it's definitely a lot more reasonable than [where it was earlier this year](#).

### The industry is maturing

Companies are starting to realize that they have to offer more substance than just promising investors growth anymore. Profitability and sustainability are things cannabis companies know they have to focus on. Especially with share prices not doing so well, raising money is going to be harder than before. It's even more reason to focus on making shareholders happy.

That doesn't mean that we're going to be seeing pot stocks suddenly turning profits, but it does mean that we'll see more of an effort to at least exhibit some sort of cost control and discretion when it comes to spending. When Canopy Growth [fired Bruce Linton](#), it proved that investors were not going to wait around forever for changes.

Canopy Growth hasn't posted a profit since then, but the new leader of the company will certainly be focused on improving its bottom line. For investors, that means less risk. If companies are grounded by profitability and make efforts to improve their financials, there will be less reason for a big correction to happen if market caps are more closely tied to financial performance than hype.

## There's still lots of growth left

Whether we're looking at the edibles market launching later this year or the opportunities in the U.S., there are still many ways that the industry can continue to grow. Even if we look at the retail side of pot, with more shops now open in Canada, there will be a lot more traffic to generate revenue for the industry. Delivery services could also reach people that may otherwise be inaccessible. We've seen other industries get involved in cannabis as well.

There are many different ways that the industry could continue to grow, and that's one of the challenges in estimating how big it may end up becoming. That's also why for an investor, it's still not too late to take advantage of all that potential growth.

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1. Cannabis Stocks
2. Investing

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