



Cannabis Investors: 3 Stocks to Play the Canadian Edibles Market

Description

Namaste Holdings (TSXV:N) just hit a 52-week low. However, even with the [prospect of a rebooted cannabis scene](#), investors are buying into the edibles space with less gusto than might have been imagined this time last year when the markets were stronger.

Indeed, with the CNN Fear and Greed Index now pointing to extreme fear, and investors having little appetite for risk, it's a coin toss whether the edibles space ends up as nothing more than a marijuana bust.

Now that so-called dried flower stocks have had their expedition up the upside mountain, it's time for a new team of cannabis companies to attempt the journey. Chief among these will be edibles-heavy companies such as Namaste, which entered the edibles market with a 49% acquisition of confectioner **Choklat** earlier in the year.

With only a couple of months until Cannabis 2.0, investors are getting on board, with Namaste up almost 14% in the last five days.

Cannabis retail offers a safer way to play the space

The other way to play the edibles space is to take a less-direct approach and buy shares in **Alimentation Couche-Tard** (TSX:ATD.B), the grocery retail company that has most recently bought a stake in **Fire & Flower** ([TSX:FAF](#)), a cannabis retailer that just upgraded to a TSX listing.

Either stock represents a new play in the marijuana space, with Alimentation Couche-Tard's minority stake [opening the possibility of a majority one](#).

The grocery retailer could be the better choice for a casual investor new to the marijuana space, though Fire & Flower itself offers potentially high upside in a short amount of time.

Having a retailer with as much geographical spread as Alimentation Couche-Tard behind Fire & Flower will give it a huge advantage in the long term, while investors with a smaller horizon could see

significant momentum in its share price.

However, newcomers looking to get rich quick may get their fingers burned: Fire & Flower has ditched 10% in the last five days, and while this kind of volatility isn't unusual for a brand-new stock, it may be better to watch the market and see how edibles perform when they hit the shelves.

If Alimentation Couche-Tard ends up buying Fire & Flower outright, then a long position could be a possibility in either stock.

Though the edibles market has been valued at \$1.6 billion by Deloitte, there could be significant hold-ups in marketing due to Health Canada's edict that the new products must not appeal to minors.

Furthermore, the onslaught of headwinds that has battered cannabis stocks of late may mean that there is less quick upside to be had in this space than might have been the case if edibles had been legalized last year.

The bottom line

Investing is often driven by emotion, and the cannabis space is a perfect example of this trend. Without the same kind of data that is available for more seasoned industries, such as banking and oil, investors have had to guess which stocks will perform well based on hubris, headlines, and hunches.

With the right timing, though, Cannabis 2.0 could make some strategic investors very wealthy.

CATEGORY

1. Cannabis Stocks
2. Investing
3. Stocks for Beginners

POST TAG

1. Cannabis

TICKERS GLOBAL

1. TSX:FAF (Fire & Flower)
2. TSXV:LFST (Namaste Technologies)

PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
5. Yahoo CA

Category

1. Cannabis Stocks
2. Investing
3. Stocks for Beginners

Tags

1. Cannabis

Date

2025/08/16

Date Created

2019/08/29

Author

vhetherington

default watermark

default watermark