



Marijuana Investors: A “Hidden Gem” of a Cannabis Stock I’m Considering Buying

Description

I’m one of the investors who has been “too chicken” to invest in the cannabis industry over the excessive volatility and the [haze of marijuana smoke](#) that continues to cloud the space. The move to remain on the sidelines was a highly regrettable one, as pot stocks have evolved into [significant multi-baggers](#) over time, even with those 50% drops thrown in.

Seeing as pot stocks have already sold off viciously once again, there are many reasons to feel more comfortable getting some skin in the game today rather than in the past. Andrew Scheer’s Conservatives are no longer seen as a threat to the nascent industry as he once was, and now that the possibility of such a catastrophic scenario is out the window, investing in cannabis has become just that — investing and not a gamble.

If you’re still put off by cannabis producers thanks to the **CannTrust Holdings** fiasco that’s unfolded in recent months, it may be a better idea to look to alternative ways to play the space. More specifically, I’m talking about skating towards where the puck is headed next, rather than skating towards where the puck is at right now.

So, where is the puck headed next in the crazy world of cannabis?

I think cannabis retailers could be the next hot investment, because I see them as catering to a broader audience of investors, not just those who are looking to make a quick buck, but patient investors who are willing to hang on for the ride through the course of decades.

While the business of cannabis retail is still in its early stages, I see a scenario where just a handful of retailers are soaking up a majority of legalized cannabis sales. The retail cannabis market could be like the convenience or drugstore market was in the '90s, and if that’s the case, a few winners could turn into multi-baggers.

Enter **Fire & Flower Holdings** ([TSX:FAF](#)), a top cannabis retailer that’s just 10% lower than its all-time high. While a cannabis retailer is nothing like a producer, it is still poised to ride on long-term industry tailwinds.

As more and more cannabis enters the markets, prices are bound to go down, but fortunately for Fire & Flower, and other retailers, it'll continue to profit, as demand remains high. In fact, lower cannabis prices could even be better for cannabis retailers like Fire & Flower should store patrons spend the difference on higher-margin items (t-shirts, oils, vapes, and all the sort).

Now, admittedly, Fire & Flower isn't just a beauty of a stock that I stumbled across. **Alimentation Couche-Tard**, the convenience store kingpin, pointed me in its direction when it took a 9.9% stake in the company.

Upon hearing that Fire & Flower will be using the proceeds to beef up its online platform, with potentially more cash coming in from Couche-Tard to finance a potential nationwide expansion, I was sold — not because Fire & Flower has excellent managers running the show (it does), but because an established firm as dependable as Couche-Tard is giving its vote of confidence.

I'm a big fan of Couche-Tard, and as we learn more about Fire & Flower's long-term growth plan, I'm considering taking a starter position in the name. If you're still a bit hesitant to get in on the name, you may want to consider investing in Couche-Tard instead, which will have a tiny, but likely growing exposure to the budding kush market.

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