



Will September Be a Better Month for Pot Stocks?

Description

Last month was not a good one for the cannabis industry. Still reeling from [scandals](#) and poor earnings, even **Canopy Growth** ([TSX:WEED](#))(NYSE:CGC) fell to levels [not seen in a long time](#), as it lost more than 25% of its share price in just one month.

Rival **Aurora Cannabis** was also down more than 9%. One of the lone bright spots was **Aphria**, which benefited from a strong quarter during the month.

However, now that the industry is one month closer to the legalization of edibles and is further removed from some disappointing earnings results, there could be much more positivity surrounding pot stocks.

Investors can sometimes have short memories, and the industry could certainly benefit from that right about now. With a fresh month, it could be a good opportunity for investors to pick up the pieces, with many pot stocks looking to be cheap buys, especially relative to where they've been in the past.

Is this the best buy today?

Canopy Growth may be the most enticing marijuana stock to buy today, and that's why it was my top pick for the month.

Although a price-to-sales multiple of around 40 is still very high, it's nowhere near the triple digits we've come to expect for pot stocks. But given the growth potential for the industry in global market, there's still certainly lots of upside left for Canopy Growth and its peers to continue rising in value.

One of the most recent estimates by Grand View Research has the legal marijuana market projected to grow to US\$66.3 billion as early as 2025. The company is expecting a compounded annual growth rate of 23.9%, pointing to greater adoption of marijuana for medical purposes as being a key driver behind its long-term growth.

And with more places around the world going to legalize pot, the market is growing with each new market that becomes open for business.

Canopy Growth has already positioned itself for a lot of growth with deals involving other industries and in various parts of the world. While its position atop of the industry may be questionable these days, there's no denying that it's still one of the most well-known pot stocks in the industry.

And if there's a recovery that's set to happen, it'll likely be led by Canopy Growth. While it had one of the largest declines last month, it could be due for a big rally in September.

Bottom line

Pot stocks have proven to be a volatile bunch, and while they're down now, there's likely to be a lot of excitement surrounding them as we get closer to the launch of edibles.

There's nothing like a new wave of products that can get investors excited about the industry's growth prospects. And unless the cannabis industry gets hit with some bad news this month, I'd expect to see pot stocks make a strong recovery, especially in light of how bad they've taken a hit in recent months, and with investors looking for possible deals.

CATEGORY

1. Cannabis Stocks
2. Investing

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1. Cannabis

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