



## At What Price Is Canopy Growth Corp (TSX:WEED) (USA) Stock a Bargain?

### Description

To be perfectly frank, it's been a [rough couple of months](#) for **Canopy Growth Corp** ([TSX:WEED](#))(NYSE:CGC) and its shareholders.

Stock in Canada's largest publicly traded cannabis company has lost nearly half its value since April, and also lost its original founder and co-CEO.

But I'd say things actually aren't that bad at all.

Cannabis stocks as a group have not fared well in recent months, which could be because of a general uncertainty about how things will shake out next in the public markets.

Another part of it could be that investors are still waiting for real, tangible results to materialize nearly a year after official legalization, and yet another part could be that investors are still waiting for the other shoe to drop as markets (for both consumers, and investors) anticipate the legalization of officially regulated edible products.

The fact that Bruce Linton just got the boot doesn't help the case for Canopy as a relative value play right now either.

But still, things aren't actually that bad.

No one can truly be sure as to why Canopy stock has been selling off and how much of it has to do with Bruce Linton, but there are a couple of positives that I think investors ought to be taking away from [Linton's removal](#).

One is that upon his exit, Linton promptly went back to public markets to buy more WEED stock.

The second would be that perhaps, rather than viewing his removal as some type of indication that things at Canopy are spiralling out of control, maybe it's actually a positive sign that those in charge of the company's books know exactly what they're doing.

Readers should remember that one of the world's largest alcoholic beverage makers, **Constellation Brands, Inc.** ([NYSE:STZ](#)) owns – and controls – 35% of Canopy Growth.

Readers should also remember that despite the fact that many cannabis companies are run by new managers and start-up entrepreneurs, Constellation Brands has been around longer than many of those managers have been alive, and that's no coincidence.

There was obviously more than one reason why Constellation chose CGC to partner with on the dance floor. One of those reasons was the staying power of the company's stock, which had much buying power in the market as one of the first cannabis stocks to get big fast — and the first to surpass the \$1 billion mark in terms of its market capitalization.

At a \$36 share price on the TSX and at under \$30 on the NYSE, is Canopy a bargain today?

It could be.

Personally however, I'm going to try and hold off a little longer and see if I can't get in on this company at an even lower price — potentially even something near the \$20 range.

## CATEGORY

1. Cannabis Stocks
2. Investing

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1. NASDAQ:CGC (Canopy Growth)
2. NYSE:STZ (Constellation Brands Inc.)
3. TSX:WEED (Canopy Growth)

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