Cannabis Investors: 3 Massive Reasons to Buy Canopy Growth (TSX:WEED) at 52-Week Lows

Description

Canopy Growth (TSX:WEED)(NYSE:CGC) stock is back into free-fall mode again thanks in part to underwhelming quarterly results from **Aurora Cannabis**, which sent more shock waves across the industry.

At this juncture, there's just too much negativity out there, so if you're willing and able to take on a bit of short-term pain, there could be a lot of gains to be had by scooping up shares as they approach 52-week lows. Here are three reasons why Canopy is worthy of your investment dollars at $33 and change.

You're getting a better price than Constellation Brands did just over a year ago

Just over a year ago, **Constellation Brands** upped its bet in Canopy Growth with $5 billion in shares. The deal was a boon for WEED stock, but after the recent plunge, an opportunity is opening up for investors to get a much better price than the alcohol behemoth did.

Constellation is an established behemoth that's in it for the long run. It's not invested in Canopy to make a quick buck from flipping the stock, as most other investors seem to be. While management may have grown euphoric when Canopy Growth soared past $67, they're probably not fazed now that shares have lost over half of their value over the course of a few months. In fact, they may be cheering from the sidelines at the latest flop in the stock.

Canopy will be able to leverage Constellation's deep pockets, as opportunities in the space come to be. And should this broader pot sell-off continue to worsen, I have a feeling Constellation will be back for another helping to Canopy stock at an even better price.

Bruce Linton continues to buy shares, despite his ousting

Bruce Linton was a media-friendly CEO that was all about transparency. His insights were valuable to investors, and his departure from Canopy was a definite negative and is a likely overhang on shares to this day.

While Linton is no longer with the company, he’s still a raging bull on the company he co-founded. He not only kept shares prior to his termination, but he also bought more during the “August sale.”

Most ousted execs would liquidate their shares upon departure and not add to their stakes, so Linton’s new bet is a massive vote of confidence that investors shouldn’t ignore.

Canopy is ready to ride the “edibles tailwind”

With nationwide legalization of edibles around the corner, Canopy has been readying itself for what could be the next significant catalyst in the space.

While the edibles market may not be as compelling as dry marijuana, I think analysts are heavily discounting the potential effects that edibles will have on profitability numbers. In essence, edible sales could serve as margin propellent for Canopy and other well-prepared pot stocks that have seen margins fade over the past year.

Foolish takeaway

Canopy is still an expensive stock after the dip when you consider the 40 times P/S multiple on its own. When you consider the triple-digit growth numbers that can be sustained over the medium term, it becomes more apparent that Canopy is a screaming bargain.

Linton is helping himself to more shares after his firing, Constellation Brands may be ready to do the same, and with the edibles tailwind on the horizon, there’s never been a better time to get some exposure to the budding industry with the cannabis kingpin in Canopy Growth.

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joefrenette