



4 Pot Stocks Make it to TSX 30: 1 Lands on Top Spot

Description

The first-ever recognition program of the Toronto Stock Exchange that highlights the 30 top-performing Canadian stocks is a significant boost to the cannabis sector. The so-called TSX 30 lists four pot stocks among the top 10 and one cracks the top spot.

Canopy Growth ([TSX:WEED](#))(NYSE:CGC) came in at number one, while **Village Farms** took the third spot. **Aphria** and **Neptune Wellness** are in sixth and eighth place, respectively. The list confirms the growth potential of pot stocks.

To each his own

The basis for the rankings is the three-year return. With Canopy's +1,823%, the early mover in the Canadian cannabis market gets the top spot. The TSX recognizes Canopy Growth as a multi-faceted cannabis producer with a strong investment in brand, market, and product differentiation.

Despite its recent struggles, Canopy remains the dominant cannabis company. The partnership with Constellation Brands assures the company of a global business that can potentially generate a significant and sustained return on shareholder capital over the long term.

Village Farms's three-year return of +868% is just 15% shy of second-place **Shopify**. Based on analysts' forecasts, VFF could potentially gain by as much as 288% in the next 12 months. The current dip of the stock is an [excellent buying opportunity](#).

Village Farms, the longest-operating vertically integrated greenhouse grower in North America, is set to capitalize on the lucrative hemp-derived CBD market. The company has agreements in place Canada's two big provinces — Ontario and British Columbia — with branded cannabis products for the recreational market.

Aphria ranks sixth because of its +479% return for three years. This \$1.68 billion company has built the foundation to become a global leader in the cannabis space. It has the cultivation, manufacturing, research, and distribution infrastructure. Besides, Aphria has strategic investments and alliances to

scale globally.

At \$6.70, the stock is trading at a bargain. For being the first major cannabis company to declare income and on the road to profitability, analysts are also projecting a capital gain of 288%. The company is gearing up for the legalization of Cannabis 2.0. The immediate plan is to expand the consumer base via the concentrates and vapes.

The three-year return of Neptune Wellness is 322%. This CBD extraction services provider seems ready for [epic growth](#). The company was able to bag the biggest extraction deal ever. Neptune will extract CBD from 230,000 kg of cannabis and hemp biomass that **The Green Organic Dutchman** owns.

Another three-year extraction services agreement involving 125,000 kg from **Tilray** is in place. For the next three years, at least, Neptune's cash flow is certain. Extraction services are in demand as more industry players prepare to launch CBD-infused products and other derivatives.

Eventual industry leader

In the near term, the legal cannabis market could be worth \$15-\$50 billion. But over the long term, the opportunity is in the vicinity of \$250-\$500 billion.

Of the four pot stocks, Canopy Growth would eventually be the industry leader. It has the war chest to make the necessary investments to scale up operations. As the cannabis market matures, expect Canopy would have the capital spending discipline to be self-sustaining.

CATEGORY

1. Cannabis Stocks
2. Investing

POST TAG

1. Cannabis
2. Editor's Choice

TICKERS GLOBAL

1. NASDAQ:CGC (Canopy Growth)
2. TSX:WEED (Canopy Growth)

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