



2 Cannabis Stocks Perfect for New Investors: Now's Your Chance!

Description

There has never been a better time to be investing in the cannabis industry for the first time. That's because many of the early risks have now been resolved, giving investors clarity into which companies are ready to seize this massive opportunity.

As well, prices have come down *significantly* in recent months. Most marijuana ETFs are down 50% or more since their highs earlier this year. If you want to capitalize on rapid cannabis growth but were waiting for a bargain price, this could be it.

When putting money to work for the first time, choose your stocks wisely. Several pot companies look poised to grow immensely over the next decade and beyond, while others may [disappear completely](#). If you want to manage your risk but still want plenty of upside potential, the following two picks are ideal opportunities.

Big tobacco

The cannabis industry in Canada is set to grow by 44% per year, rising from \$569 million in 2018 to nearly \$5.2 billion by 2024. In a few short years, a multi-billion dollar market has been created.

But if you want truly massive growth, you'll need to go international. Globally, the cannabis opportunity is expected to surpass \$200 billion. While there are more than a dozen publicly-traded pot stocks, only a handful are poised to capitalize on this global opportunity.

After partnering with tobacco giant **Altria Group Inc** ([NYSE:MO](#)), **Cronos Group Inc** ([TSX:CRON](#)) ([NYSE:CRON](#)) arguably has the biggest lead in worldwide expansion.

Earlier this year, Altria took a 45% position in the company, infusing \$1.8 billion in cash to fuel rapid growth. Altria also acquired warrants that could eventually give it majority control, potentially ending in an outright acquisition.

With Altria by its side, Cronos is one of the most well-capitalized pot stocks with the influence and

connections necessary to grow worldwide.

Altria offers proven expertise in brand and product development in highly regulated markets, financial firepower to target emerging markets early, and leading research and development capabilities.

If you're stepping into the cannabis industry but want to de-risk your bet, Cronos looks like the optimal solution.

Betting on consumables

Canopy Growth Corp ([TSX:WEED](#))(NYSE:CGC) is similar to Cronos in that it has a big-time partner capable of growing the company in ways few competitors can match. But there's one major difference: Canopy should dominate consumables, not traditional cannabis.

That's because its multi-billion dollar partner, **Constellation Brands, Inc.** ([NYSE:STZ](#)), is a master at pushing well-known consumer brands like Corona, Svedka, and Robert Mondavi wines.

Last year, Constellation Brands injected \$4 billion into Canopy, taking a 38% position in the company. Canopy's CEO highlighted that he's optimistic about new opportunities like cannabis-infused beverages and sleep aids.

These value-add products will help avoid long-term commoditization and pricing risk. "By 2020 or 2021, there will be too much cannabis produced," noted Canopy's CEO. "If I'm still selling primarily an ingredient, I have completely dropped the ball. You want to transform it."

When it comes to next-gen cannabis products that could represent the bulk of the market by 2024, Canopy has a heavy lead.

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1. Cannabis Stocks
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2. NASDAQ:CRON (Cronos Group)
3. TSX:CRON (Cronos Group)
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