



## Top Cannabis Stocks for December

### Description

Cannabis stocks have had a tough year. Since the summer, most marijuana ETFs have been cut in half. Yet the long-term promise remains clear. Many analysts expect global sales to hit \$100 billion by 2030, representing 1,000% growth.

If you want to invest in cannabis stocks, it pays to have a multi-year vision. Still, short-term market gyrations can make some companies a [bargain](#), and it's important to capitalize before prices revert.

Three such opportunities are available this month. Each of the following picks are ready to tap into the long-term promise of cannabis growth, yet their current share prices don't reflect this promise. The discount may disappear at any time, so if one of these companies matches your investing needs, be prepared to strike.

### Following big tobacco

**Cronos Group** ([TSX:CRON](#))([NASDAQ:CRON](#)) knows that highly regulated markets are difficult to navigate. Across North America, rules and regulations vary wildly by country, province, and state. Not only is this environment complex, but it's constantly changing. Staying ahead of the regulatory curve is an underappreciated skill.

When it comes to successfully navigating these types of conditions, there's no greater example than **Altria Group**. Over the last several decades, Altria has amassed a \$100 billion market cap, controlling more than half of the U.S. cigarette market with globally recognized brands like Marlboro.

This year, Altria invested \$1.8 billion into Cronos, forming an exclusive partnership. This is the most powerful partnership in the cannabis industry. Cronos stock has fallen by two-thirds during the latest marijuana bear market, but over the next decade, the Altria-Cronos tie-up should take a big chunk of the emerging \$100 billion global cannabis opportunity.

## Taking a side route

**Canopy Growth** ([TSX:WEED](#))(NYSE:CGC) also recognizes the need for high-powered partners. Nearly every cannabis company is trying to build a world-class brand from scratch. By partnering with an existing brand, companies can get a head start on the competition.

This year, **Constellation Brands** invested more than \$4 billion into Canopy, forming the best-financed partnership in the space. Constellation owns high-value brands like Corona and Modelo, and its large portfolio of branded beverages likely signals where this partnership is headed.

Today, the global alcohol market is worth more than \$1 trillion. That's *100 times* more valuable than the cannabis market today. No one is paying much attention, but cannabis-infused beverages could be the next big thing.

With Constellation by its side, Canopy is far and away the leading competitor to dominate this emerging segment. Canopy shares are down more than 60% since the cannabis bear market began, but the value of this partnership is just getting started.

## Behind the scenes

**HEXO** ([TSX:HEXO](#))(NYSE:HEXO) isn't trying to secure a single major partnership. Instead, it wants to attract *dozens* of well-known brands. How can it achieve this? Through building the industry's first cannabis platform.

HEXO has spent the last two years building behind-the-scenes infrastructure, including grow, research, packaging, and distribution centres. The goal is for any existing global brand to be able to tap into this infrastructure on demand. Earlier this year, it signed up **Molson Coors Canada** as a partner. By the end of 2019, it should launch its first co-branded beverage.

HEXO hopes to replicate this partnership across other verticals, including consumables, medicines, cosmetics, and more. This establishes HEXO as a key player across every promising cannabis opportunity.

As a smaller player, shares have been hit hard by the downturn, falling 75%. With its valuation down to \$700 million, this stock is becoming too cheap to ignore.

### CATEGORY

1. Cannabis Stocks
2. Investing

### POST TAG

1. Cannabis

### TICKERS GLOBAL

1. NASDAQ:CGC (Canopy Growth)
2. NASDAQ:CRON (Cronos Group)
3. NASDAQ:HEXO (HEXO Corp.)
4. TSX:CRON (Cronos Group)
5. TSX:HEXO (HEXO Corp.)
6. TSX:WEED (Canopy Growth)

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