



## Cannabis Bubble 2.0: 1 Move That Could Send Stocks Soaring

### Description

The cannabis market exploded and deflated fairly quickly when it comes to market bubbles. After climbing to all-time heights right before legalization, cannabis stocks across the board crashed. While it's still unclear if a resurgence could come any time soon, there is one move that could give birth to another cannabis bubble.

Let's see what's potentially setting up this next bubble for cannabis.

### American legalization

Sure, the United States hasn't legalized cannabis yet. In fact, it could be years off before legalization occurs depending on who is voted in this November. But legalization will happen eventually. Even if it is years off, there is one area of cannabis that is legal practically everywhere across the U.S. already: cannabidiol (CBD).

CBD is the non-intoxicating substance of cannabis; it has a variety of health benefits for its users. CBD has been put in everything from drinks to sleep aids, allowing customers to use cannabis without getting high. As the stigma around cannabis lessens, CBD has grown more popular, allowing cannabis companies to expand across the U.S.

In 2018, retail sales of CBD were between \$600 million and \$2 billion for the year. By 2025, it's estimated sales could explode to \$16 billion, according to one study. So, clearly, there's plenty of opportunity left for cannabis companies — and those able to exploit this explosion.

### E-commerce boom

There is already an e-commerce boom going on, and there's a reason it isn't a bubble. E-commerce has been around for a long time, with large companies already positioning themselves at the top of the heap. So, there isn't that risk of investing in smaller companies that could become bigger later on.

Instead, it's the e-commerce companies currently growing and looking for new opportunities that could do well with cannabis. As cannabis use grows across the world, there will need to be methods of shipping it. What does that mean? E-commerce partnerships. Can you imagine if a company like **Amazon** made a partnership? That company would be unstoppable.

## Is it likely?

It's already begun. Look at **Shopify** for example, the company taking on the role of [selling marijuana](#) for most Canadian provinces. Shopify is an e-commerce giant that is still in growth mode and is now finding ways of shipping its own products, similarly to Amazon. It's likely not far off that cannabis would be shipped using a company like Shopify. Now, imagine that a company like Shopify or Amazon actually *creates* its own cannabis supplies. It would be unstoppable.

If you're looking to take advantage of this boom when it happens, I would go big or go home. But I will warn you: cannabis companies will mainly be unprofitable for some time. That means it could be some time before we see this huge cannabis bubble bloom again. But if you're going to invest, I would buy **Canopy Growth**.

Canopy Growth has the footprint in the U.S. needed to expand and the production available to meet that demand. Of course, the pandemic threw a wrench in expansion plans. It also has a huge amount of debt the company needs to disappear. There are a lot of [obstacles](#) this company needs to face, but in the next decade, I'd say this cannabis company will be the Amazon of the cannabis world.

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