



## Alert: Legal Psychedelics Could Be the Next Cannabis Stocks!

### Description

While the world waits with bated breath for the [results of the U.S. presidential election](#), voters in key U.S. states have already made a historic decision. Two key states have decriminalized the use of psychedelics for medical purposes. This could be an (extremely) early sign that psychedelics could become legalized on par with marijuana soon.

Here's why investors should follow these latest developments closely.

### Background on psychedelic drugs

Johns Hopkins University—the U.S.'s oldest research university—launched a dedicated center for psychedelic studies. While it's still early, researchers believe the substance could help treat certain psychological conditions such as depression and post-traumatic stress disorder (PTSD).

An estimated 17.3 million people suffer from depression in the United States alone, which goes to show how critical this research is.

### The U.S. election

Yesterday's election for the Presidential race is still too close to call. However, Americans were voting for a lot more than just the White House. Senate seats, for example, were up for grabs as were key state legislation measures.

Yesterday, Oregon voters passed Measure 109 – a move that could allow medical professionals and researchers to study the benefits of psychedelic drugs such as psilocybin. Popular known as magic mushrooms, these drugs are prohibited in nearly every part of the world. However, interest in their medical benefits has been growing in recent years.

Similarly, voters in Washington D.C passed Initiative 81 yesterday to decriminalize the use of psychedelic drugs. Yet another indication that public perception about magic mushrooms is shifting. If their medical benefits are proven, more states and perhaps other countries could follow this lead.

Some industry experts believe the market could be as big as US\$6.8 billion (C\$8.9 billion) by 2027 if the wave of legalization and medical use continues. That's a big market, but not nearly as big as the global cannabis industry. Nevertheless, since investors have overlooked this space and there's only a handful of players, the opportunities seem attractive.

## Canadian psychedelic stocks

A few medical startups have listed on Canadian stock exchanges in recent years. The most noteworthy, perhaps, is **Mind Medicine (MindMed) Inc.** (OTC:MMED), which is listed on the NEO exchange and is available over the counter.

Cannabis titan Bruce Linton, the founder and former CEO of **Canopy Growth**, is a MindMed director. The company is also backed by Shark Tank's Kevin O'Leary, who told *Fast Company*, "this could save lives, cure depression, help alcoholism, get people off opioids—why wouldn't I want to be invested?"

MindMed stock is up 5.5% today on news of Oregon and D.C.'s ballot initiatives. The company is worth \$334 million, but could surge a lot higher if the trend continues and more investors get involved in this space.

## Bottom line

Decisive votes in two American states have paved the way for the legalization of psychedelic drugs. This breakthrough could add tremendous value to Canadian startups like MindMed that are working on developing these substances.

While the market won't be as big as legal cannabis, it will certainly create extensive shareholder value for early investors. Keep an eye on this stock as the industry matures over the next few years.

### CATEGORY

1. Investing

### TICKERS GLOBAL

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

### PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred

5. Quote Media
6. Sharewise
7. Yahoo CA

**Category**

1. Investing

**Date**

2025/07/25

**Date Created**

2020/11/07

**Author**

vraisinghani

default watermark

default watermark