



## Curaleaf and HEXO: The Only 2 Cannabis Stocks Every Investor Should Own

### Description

The Canadian cannabis sector is on fire. Indeed, a return of approximately 300% for the sector since March lows is worth discussion. Year to date, this sector is up nearly 40%, with investors seeming to get excited about this growth sector once again.

I think we're heading back into dangerous territory right now with respect to how these volatile stocks are trading. In particular, I think most Canadian cannabis players haven't deserved the valuation bumps of late. The key catalyst taking this sector higher is speculation around the potential for U.S. legalization. However, most Canadian producers aren't well positioned presently to take advantage of this significant development.

That said, I've picked two Canadian cannabis players I think are deserving of their recent stock price spikes.

### Curaleaf

I've focused my attention on cannabis stocks almost exclusively to **Curaleaf** (TSXV:CURA) of late. This is because I view Curaleaf as the only Canada-listed cannabis producer well positioned to take advantage of the [potential legalization of marijuana in the U.S.](#)

Indeed, U.S. cannabis legalization is the biggest catalyst this sector has seen in a long time. The U.S. market is the crown jewel every company is chasing after right now. The thing is, Curaleaf is already operating in the U.S. in a big way. Furthermore, this company has done an incredible job of building out a vertically integrated business model that I think is the envy of most of its Canadian peers right now.

Curaleaf has built a solid presence in the U.S. on the foundation of an extremely well-designed business model. The company's network of processing and cultivation facilities, value-added production facilities, and dispensaries make this company a force to be reckoned with. Indeed, when the competition comes to play, Curaleaf will be well prepared to engage in battle. For those willing to speculate on this sector and U.S. legalization in particular, this is the only company I'd pick to do so.

## HEXO

Another cannabis company I've highlighted in the past is **HEXO** ([TSX:HEXO](#))(NYSE:HEXO). This is a company I've talked about for different reasons. Hexo is focused on developing [regional supremacy](#) in the Canadian market. I think Hexo has done an incredible job on gobbling up market share in Quebec, a key Canadian market. This is a company that has secured government contracts that are very lucrative, and are likely to continue long term. The Quebec government has shown an affinity for home-grown companies, and I don't anticipate this will change any time soon.

Additionally, Hexo has a nice head start on its competition in the infused-beverage business. Right now, there's an arms race going on with Canadian producer for "Cannabis 2.0" products. Hexo has done a good job of growing its market share in these important products. Long-term margin growth relies on the value-added products these companies can produce. Hexo is a solid domestic play and one I would consider as worthy of consideration for possible expansion south of the border when the time comes.

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1. Cannabis Stocks
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### POST TAG

1. canada
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### TICKERS GLOBAL

1. CNSX:CURA (Curaleaf Holdings, Inc.)
2. NASDAQ:HEXO (HEXO Corp.)
3. TSX:HEXO (HEXO Corp.)

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