



The Best Cannabis Stocks to Buy Before U.S. Legalization

Description

Cannabis stocks have gained momentum in late 2020 and early 2021 after stagnating since recreational legalization in Canada. The rollout across Canada left much to be desired. These early failings allowed the black market to gain new ground. However, the legal market has stabilized since late 2019. The COVID-19 pandemic had a [positive impact on cannabis demand](#) as consumers looked to stock up on supply. However, sales flattened into the summer.

This sector has gained momentum in recent months in the aftermath of the 2020 U.S. Presidential Election. Today, I want to look at the best cannabis stocks to snatch up ahead of potential legalization.

When will the United States legalize recreational cannabis?

In November 2020, Joe Biden defeated the incumbent Donald Trump and the Democrats managed to snatch the majority in the Senate. This swung open the door for cannabis legalization in the United States. Biden has historically been anti-cannabis, but the path of his party has turned decidedly against that old position. Many expect that the Democrats will make a concerted push for federal legalization early in Biden's four-year term.

Most of the U.S. West Coast has legalized recreational cannabis use. Earlier this month, Democratic Senators Cory Booker, Ron Wyden, and Chuck Schumer said they plan to introduce legislation to reform how cannabis is treated under U.S. law. If this does come to pass, which Canadian cannabis stocks are in the best position to benefit?

What cannabis stocks on the TSX are the best to own?

Canopy Growth ([TSX:WEED](#))([NASDAQ:CGC](#)) is the largest cannabis stock on the **TSX** by market cap. Shares of Canopy Growth have climbed 63% in 2021 as of early afternoon trading on February 16. This cannabis stock is up nearly 100% in the year-over-year period.

The company set itself up for penetration into the U.S. market with its \$3.4 billion acquisition of

Acreage Holdings back in 2019. Canopy CEO David Klein predicted that Canopy would gain access to the U.S. market in 2021. Moreover, Klein projects that cannabis will be legalized federally in the U.S. by 2022. If these predictions shake out, Canopy Growth will be in a great position.

Aphria (TSX:APHA)(NASDAQ:APHA) is another top cannabis stock that should [benefit from U.S. legalization](#). Shares of Aphria have erupted 144% in 2021 so far. This cannabis stock is up nearly 300% year over year.

CEO Irwin Simon is also optimistic about the state of cannabis south of the border. He predicted that cannabis-related decisions will happen faster under new democratic leadership. Aphria's acquisition of the Atlanta-based Sweetwater Brewing gives it access to a network of U.S. relationships that included nearly 30,000 retailers and more than 10,000 restaurants and bars.

Aphria will soon merge with **Tilray** to become the largest cannabis firm by revenue. Tilray has also achieved promising access to the U.S. market.

It is hard to predict when we will see U.S. legalization in the cannabis space. The Biden administration has its hands full hammering out the next round of stimulus as the pandemic ravages the domestic economy. When that is complete, investors should expect that cannabis legislation will not be too far behind.

CATEGORY

1. Cannabis Stocks
2. Investing

POST TAG

1. Cannabis Stocks

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. Cannabis Stocks
2. Investing

Tags

1. Cannabis Stocks

Date

2025/09/27

Date Created

2021/02/16

Author

aocallaghan

default watermark

default watermark