



Cannabis Stocks: 2 Marijuana Stocks That Could Be Millionaire Makers

Description

The marijuana legalization movement has been on a strong run in the United States. With governors from New Mexico to New York declaring support, there is a greater chance for gradual policy reform for its legislation in 2021. Several budget pronouncements and state addresses in recent times called for legalizing marijuana.

Stock market investors are now scouting for weed stocks to add to their portfolios before federal legalization takes place. Prominent cannabis industry players could deliver massive returns and become millionaire makers for investors.

Significant enough positive news could mean that the top cannabis stocks might become too expensive in the future. I will discuss two marijuana [stocks trading on the TSX](#) that you could consider adding to your portfolio right now.

Powerhouse cannabis stock

Aphria (TSX:APHA)(NASDAQ:APHA) is a cannabis stock that could be better prepared than its peers to prepare for the eventual legalization in the United States. The company cultivates, produces, and sells medical cannabis and is set to join **Tilray**. The merger between these two companies could lead to the birth of a dominating presence in the industry.

The news of the merger has been positive for its momentum. Aphria is up over 500% from its valuation a year ago. Aphria's acquisition of American craft brewer SweetWater Brewing Company could also create inroads for the Canadian cannabis company into the United States. The US\$300 million purchase could help the company set up a foundation in the U.S., positioning it well to leverage the cannabis industry boom in our neighbors to the south.

Industry-leading stock

Canopy Growth ([TSX:WEED](#))(NYSE:CGC) is the leading cannabis company in Canada, and it will not

give away its position to Aphria easily. The \$15.18 billion market capitalization giant in recreational and medical marijuana from Smiths Falls, Canada, is also readying itself for entering the U.S. markets.

Canopy's total return in 2020 was 15%, and the stock is trading for \$40.27 per share at writing. At its current valuation, Canopy is up 113% year over year. Analysts expect the stock to climb as high as \$75 per share in the next 12 months.

Constellation Brands, the American beer, wine, and spirit producer, increased its stake in Canopy Growth from 9.9% to 38.6% during May 2020. The company's CEO believes that the global legalization of cannabis presents immense long-term opportunities for the sector. Canopy is well positioned to capitalize on the positive developments in the worldwide cannabis market.

Canopy Growth's president and chief product officer also noted the growing acceptance of CBD products for anxiety relief during the pandemic. It is a sign that the market is ready for expansion.

Foolish takeaway

The gradual federal cannabis legalization in the U.S. could lead to a massive boom for the legal cannabis industry in Canada. Aphria and Canopy Growth are well positioned to take advantage of the development, and we could see the two cannabis giants square off for supremacy.

However, any unforeseen circumstances can still present [challenges for the industry](#) and deny Aphria and Canopy the growth in profits investors might seek exposure to in the coming months.

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