



## 3 Cannabis Stocks to Buy Ahead of the 3rd-Wave Rebound

### Description

Investors around the world are preparing for a major rebound after the pandemic. Economists predict a new “Roaring ’20s” that will see consumers putting their money into absolutely anything. That includes cannabis, and it’s why many investors believe a third-wave rebound is about to happen with cannabis stocks.

These companies have been preparing for a while now, cutting back costs and continuing the trend of consolidation. So, if you’re looking for cannabis stocks to ride the third wave now and years in the future, start with these three.

### Tilray

Of course, we cannot talk about mergers and consolidation without talking about **Tilray** ([TSX:TLRY](#))([NASDAQ:TLRY](#)). The company’s very recent merger with Aphria means it is now potentially the leading producer and seller of cannabis products. It is, as of writing, the largest multinational cannabis company by revenue.

The move was to give the companies major access to the United States while combining with the free trade abilities in Europe. This now gives Tilray stock the opportunity to become a global operation, with revenue to match. On top of recreational cannabis production, Tilray stock is also developing craft beer, hemp, and CBD products.

The merger is recent, so share growth isn’t exactly stellar at the moment. But with a third wave in cannabis stocks on the horizon, now might be a great time to pick up Tilray stock. It currently trades at about \$18 per share, with valuations at 3.7 times book value, making it one heck of a bargain.

### Hexo

Speaking of bargains, you can still take advantage of this one with **HEXO** ([TSX:HEXO](#))(NYSE:HEXO). The company has been consolidation central, snatching up two companies in the last few months. First

it was **Zenabis Global** in February, and this week it was **48North Cannabis** (TSXV:NRTH). This most recent \$50 million deal will give the company \$12 million in savings the first year alone and inch it closer to a top two cannabis producer position.

Part of the reason investors should consider this stock is its United States exposure. It recently partnered with a marketing company to expand its U.S. operations. Specifically, HEXO stock wants to expand its Truss CBD USA, the joint venture with **Molson Coors**, and its potential non-beverage CPG partners. In fact, while other cannabis stocks focus on recreational marijuana, HEXO stock continues to focus on packaged goods. And this seems to be the area where consumers will focus their interest.

Shares in HEXO stock are up 143% in the last year, falling in February from 52-week highs. That means today you can pick up HEXO stock shares [at a deal](#) at \$7.50 per share as of writing, with valuations at 1.7 times book value!

## Canopy Growth

Finally, the heavy hitter. Since cannabis stocks came on the scene, **Canopy Growth** ([TSX:WEED](#))(NYSE:CGC) seemed to dominate. It's held the top spot as the largest producer by market capitalization until just recently, when it was beat out by Tilray stock.

However, that could all change soon. After making severe [cost-cutting](#) measures, Canopy Growth stock is set up for success should U.S. legalization occur. It made several acquisitions that will come online with decriminalization. Meanwhile, it continues to expand its cannabis-infused beverage line, including with CBD.

Yet Canopy Growth stock remains at low levels, currently trading at \$27.80. It won't be until that third wave of cannabis consumption that we see cannabis stocks like Canopy Growth stock start to climb once again. Shares are up only 26% in the last year after a fall from 52-week highs in February, so you can pick it up at 2.6 times book value today!

### CATEGORY

1. Cannabis Stocks
2. Coronavirus
3. Investing
4. Personal Finance

### POST TAG

1. Editor's Choice

### TICKERS GLOBAL

1. NASDAQ:CGC (Canopy Growth)
2. NASDAQ:HEXO (HEXO Corp.)
3. NASDAQ:TLRY (Tilray)
4. TSX:HEXO (HEXO Corp.)
5. TSX:WEED (Canopy Growth)

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