



## Weed Stocks on Fire After Amazon Gives Stamp of Approval

### Description

People in the position of power — presidents, parliamentarians, members of Congress, provincial premiers — often have the power to sway the market with their decisions and comments. But they aren't the only people with that power. Investors and business magnates like Warren Buffett can also influence the market (up to a certain degree).

That's the power that allowed Jeff Bezos to stir the marijuana market in the U.S. and Canada. Bezos openly endorsed the initiative of the U.S. government to legalize marijuana on a federal level, and this endorsement was powerful enough to boost several [weed stocks](#).

## Amazon and marijuana legalization

**Amazon's** CEO didn't just verbally endorse the U.S. government's Marijuana Opportunity Reinvestment and Expungement (MORE) Act; he also made changes to the company's hiring policy. The company has dropped marijuana screening of potential employees, except for positions under the purview of regulatory bodies like the Department of Transportation.

Amazon is the second-largest employer in the U.S. (after **Walmart**), and this move will most likely be followed by other major employers, especially in the tech sector. The snowball effect it has the potential to create can be enough of a nudge to the federal government.

If the U.S. government legalizes recreational cannabis on a federal level, it will open up a great new market for Canadian weed companies, many of whom are already focused on consolidating territories and bringing the relevant brands under their fold. Thanks to its extensive e-commerce network, Amazon will undoubtedly be a key player in helping Canadian weed companies penetrate the U.S. market without local retail locations.

## A weed stock on fire

Following the news, several cannabis stocks rose in value, and one of them was the Toronto-based **Cronos Group**

([TSX:CRON](#))([NASDAQ:CRON](#)). The stock rose by at least 10% before normalizing. Cronos group markets itself as a true global cannabinoid company. The company has six major brands under its banner; two of them already have a decent presence in the U.S., and one's presence is anticipated.

The company focuses on the technology and innovative aspects of the cannabis market. It's also focusing on building a global network of partner businesses and developing its global supply chain. Cronos has a strong balance sheet. Even though its revenues are having difficulty normalizing, the company is adequately U.S.-facing to take full advantage of the marijuana legalization in the country.

Cronos stock is trading a massive discount compared to both its 2019 peak (over 64%) and its recent peak of 47.5%.

## Foolish takeaway

The MORE act is expected to do more than just remove cannabis from the list of controlled substances, though that will be the most economically impacting factor. A decent number of states have already legalized cannabis for both medical and recreational uses, and others are in the process of legalizing the substance. It's all culminating towards a logical end. All investors have to do now is to find the right weed stocks and get [the timing right](#) to maximize their returns from the potential boom.

### CATEGORY

1. Cannabis Stocks
2. Investing

### TICKERS GLOBAL

1. NASDAQ:CRON (Cronos Group)
2. TSX:CRON (Cronos Group)

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