



Why Tilray's (TSX:TLRY) Stock Price Soared 7% Today

Description

What happened?

Tilray's ([TSX:TLRY](#))([NASDAQ:TLRY](#)) share price surged by nearly 7% to \$17.68 per share this afternoon. These sharp gains in the popular Canadian pot stock came after the company highlighted its new investment in the American cannabis firm **MedMen Enterprises** ([CNSX:MMEN](#)).

So what?

On Wednesday, Tilray, in a press release, [said](#) that it has acquired most of the senior secured convertible notes of MedMen from funds affiliated with Gotham Green Partners. After converting these notes into stocks — upon getting necessary regulatory approvals, Tilray is likely to have minority stakes but still a significant equity position in MedMen.

Tilray is a Nanaimo-based cannabis firm that mainly focuses on the research, cultivation, processing, and distribution of various medical cannabis products to pharmaceutical distributors. Its key markets include Canada, the United States, Europe, Australia, and Latin America.

Tilray's latest investment in MedMen could potentially help its footprints grow fast in the U.S. market. It could be the primary reason why Tilray stock rallied after the news came out.

Now what?

Tilray's recent merger with Aphria made it the world's largest cannabis company. The deal also clearly reflected Tilray's aggressive expansion plan for the international market.

MedMen is a well-known American cannabis retailer. It currently operates nearly 25 retail locations and holds 21 licences. While MedMen's expansion in the U.S. could be subject to several factors, including federal legalization of cannabis, the company plans to expand its footprints in the international market

before that. Considering these factors, Tilray's investment in MedMen could prove to be a key step in helping it grow fast in the U.S. market once federal legalization is approved.

I believe Tilray's latest move to invest in MedMen could pay off well in the long term and help it grow faster than its peers. That's why long-term growth [investors](#) may want to consider adding TLRY stock to their portfolio right now.

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1. Cannabis Stocks
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2. NASDAQ:TLRY (Tilray)
3. TSX:TLRY (Aphria)

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