



## Cannabis Stocks: If the Rally Isn't Over, This 1 Looks Attractive

### Description

Once one of the most-discussed sectors among [growth investors](#), interest in cannabis stocks has waned substantially of late. Indeed, the question of whether retail investors will once again jump on perhaps the “greenest” sector of them all remains to be seen.

Among the cannabis stocks that has been losing momentum of late is **Tilray** ([TSX:TLRY](#))([NASDAQ:TLRY](#)), fresh of its merger with Aphria. Indeed, as the world's largest cannabis company (for now), investors will be keeping a close eye on how this company performs moving forward.

Here's one of the key reasons why Tilray may be one of the Canadian cannabis stocks worth watching right now.

### Big U.S. investment puts cannabis stocks back on watch

In addition to Tilray's massive Aphria merger, there's another deal that's grabbing headlines of late. The company recently made a big move to potentially acquire its way into the U.S. market.

Indeed, the potential for Federal legalization in the U.S. looms over cannabis stocks. Should cannabis become legal for recreational use, it's expected that a rising tide could lift all boats. Accordingly, it appears Tilray is doing its best to be in the water when the tide rises.

By [acquiring](#) more than US\$165 million of debt in **MedMen Enterprises**, experts believe Tilray may be making an acquisition run at MedMen. After all, this is a massive investment. It's understandable that this kind of investment in another company's debt would preclude an equity investment.

Additionally, this debt is convertible to equity. This means that should Tilray exercise its right to convert this debt to shares, the mega-cap cannabis player could own more than 20% of the voting shares of MedMen.

On top of this, Tilray's CEO has publicly stated that acquiring MedMen isn't out of the question. Thus, investors banking on further consolidation certainly have reason to believe there's more than just

smoke with this transaction.

## Tilray's gateway to the U.S. cannabis market

MedMen's status as one of the preeminent retail chains of U.S. cannabis stores in California, Illinois, Massachusetts, and Nevada is a big deal. Indeed, the vertical integration that MedMen could provide Tilray appears to be a focal point for Tilray's CEO in terms of his plans to integrate this company into the U.S. market.

Indeed, Tilray appears to be betting on some sort of legalization legislation to proceed forward soon. By getting ahead of the news, Tilray looks to be positioning itself as a key potential player in the U.S. cannabis supply chain. While other cannabis stocks appear to be focused more on their domestic markets, Tilray is aggressively looking at expanding.

For long-term growth investors, perhaps such as strategy will pay off. Indeed, only time will tell. However, for now, Tilray certainly looks enticing. That is, for those who think cannabis stocks still have a long growth runway from here.

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### Date

2025/08/16

**Date Created**

2021/09/07

**Author**

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