



Why Canopy Growth Stock Grew 10% on Monday

Description

Canopy Growth ([TSX:WEED](#))([NASDAQ:CGC](#)) shares climbed over 10% on Monday after a rebound in the market surrounding more volatile stocks. Canopy Growth stock also saw movement from new product launches, along with U.S. expansion of its BioSteel drinks.

What happened?

Canopy Growth stock announced last week that its Tweed brand would be launching a new product line. The new offerings would include a “new look and feel” with new products, under the launch of a “Whatever Feels Good” tagline.

This also comes as Oregon filed a bill to start the implementation of legal use of marijuana. Furthermore, Canopy Growth stock’s BioSteel drinks would now reach 15,000 new store locations in the United States. [Consumers](#) should expect to see them on shelves as soon as this month.

So what?

It’s the first sign of positive momentum after Canopy Growth stock hit 52-week lows this month. Shares have been on a downward spiral since Jan. 1, 2021. Yes, *last* year. There was peak excitement after then-new president of the United States Joe Biden came to office. However, it quickly became clear that marijuana legalization would not be a priority.

With so much invested in U.S. legalization for Canopy Growth, investors became wary and took [returns](#). This also linked to the downfall of other industries, such as tech and e-commerce, where investors believed the end of the pandemic was coming.

However, the renewed interest in Canopy Growth stock comes just as the stock bottoms out. Furthermore, it's after analysts have had time to weigh in on the stock's immediate future. It looks like analysts believe while there aren't the incredible highs expected before, it's still far above today's share price of \$10 per share.

Now what?

Granted, Canopy Growth stock certainly has a long way to go. Legalization doesn't look like it's anywhere closer to hitting the United States. And it's not until that happens that the company will see serious momentum. Furthermore, it remains clogged by production limits thanks to the pandemic and supply-chain issues.

That being said, long-term investors shouldn't sell the stock. Analysts agree. It may not be a top buy at this point, but it's certainly a [hold](#). Legalization in the U.S. *will* come one day. And when it does, Canopy Growth stands to benefit in a major way, becoming potentially the largest producer in the world.

Shares of Canopy Growth stock trade at \$10.22 as of writing, up 10% on Monday and 18% since bottoming out last week. Analysts give it a consensus target price of \$19 per share, offering a potential upside of 87% as of writing.

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