



Why Cannabis Stocks Dropped 10% on Monday

Description

Cannabis stocks lost some of the gains made last week, with a few dropping over 10% on Monday. This included companies like **Canopy Growth** ([TSX:WEED](#))([NASDAQ:CGC](#)), **Aurora Cannabis** ([TSX:ACB](#))(NYSE:ACB), and **Tilray** ([TSX:TLRY](#))([NASDAQ:TLRY](#)).

What happened?

Shares of cannabis stocks jumped nearing the end of last week to heights investors hadn't seen in months. It came as news that the Marijuana Opportunity Reinvestment and Expungement (MORE) Act would be put before the United States House of Representatives this week.

However, it looks like, over the weekend, many investors took the opportunity to sell some of their shares after the quick gains. After all, as mentioned these gains haven't been seen in some time. And not only do we still trade in a volatile market, but it, unfortunately, doesn't seem like the MORE Act will get through the Senate.

So what?

The MORE Act has gone through the U.S. House before. And it passed in that case, which it's likely to do once more this week. So, that's good news, right? Well, perhaps, but it's unlikely to pass through the Republican-controlled Senate. And that's exactly what happened before.

The point of the move is to bring attention to the need to keep marijuana decriminalization and legalization moving forward. The U.S. continues to miss out on larger opportunities for making a killing on the burgeoning cannabis industry. Therefore, cannabis stocks could [remain stagnant](#) or drop until such a time that the U.S. sees legalization through.

Now what?

If you were looking for a time to sell your cannabis stocks, I don't blame you for getting rid of them over the weekend. But if you're a long-term investor in the cannabis industry, then there are a few I certainly would continue to hold onto. In fact, you could even up your stake at a time like this.

I would pass on Aurora Cannabis stock for now, as the company continues to make purchases without much proof of its worth. Tilray stock is a [strong option](#), proving it can create enough profit to grow through acquisition. Meanwhile, Canopy Growth stock is in between. It's not yet profitable but could explode when the U.S. legalizes marijuana.

So, right now, it's a wait-and-see game. Though cannabis stocks may shoot up once more should the U.S. House pass through the MORE Act this week. And that, at the very least, looks likely.

Shares of Canopy Growth stock were down 11% as of writing, with Aurora Cannabis stock down 8% and Tilray stock down 6%.

CATEGORY

1. Cannabis Stocks
2. Investing

TICKERS GLOBAL

1. NASDAQ:ACB (Aurora Cannabis)
2. NASDAQ:CGC (Canopy Growth)
3. NASDAQ:TLRY (Tilray)
4. TSX:ACB (Aurora Cannabis)
5. TSX:TLRY (Aphria)
6. TSX:WEED (Canopy Growth)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. alegatewolf
2. kduncombe

Category

1. Cannabis Stocks
2. Investing

Date

2025/06/28

Date Created

2022/03/28

Author

alegatewolfe

default watermark

default watermark