



## Cannabis Stocks Jump: What Investors Need to Know

### Description

Shares of cannabis stocks have been jumping over the last month, leading some investors to wonder whether now is the time to get back into the [marijuana market](#). But there are a few things I would note before heading into the smoke-filled sector.

### Market still volatile

The important point here is that the global market is still volatile. I don't just mean the cannabis market but the market as a whole. There is a lot of uncertainty, and with that comes the uncertainty about the future of riskier stocks such as cannabis stocks.

The TSX today is down by 9.6% year to date. That's certainly an improvement from the week before, when it was down by about 14% year to date. However, it's still a yo-yo that will continue to toy with our cash for at least the near term.

Given that, it's unclear as to how the cannabis market is going to perform in the next year. With a potential for a [recession](#) in 2023, these are likely to be the last stocks to come in during a rebound, and the first to go out during a recession. So, it's important to be particularly careful.

### But still...

Yet even with all that, it's just as important to know what's been going on with the cannabis stocks in general. The world is shifting towards legalizing marijuana, and that includes the United States, where many states have already legalized the product. When that happens, it's likely to become the largest market of marijuana consumption in the world.

So, with *that* in mind, it's clear why investors may be interested in buying up the stock — especially as congress moves through a few changes that could at least see decriminalization on a federal level in the near future.

But still, this doesn't mean we're heading back to the days of 2017. In fact, it's just the opposite. The companies that were around in 2017 have, in large part, moved to the wayside or at least become penny stocks once more — that is, except for a few key cannabis stocks that I would focus on as an investor.

## Canopy Growth and Tilray

If you're looking to invest in cannabis stocks, it's go big or go home. This would mean investing in the main cannabis providers of **Canopy Growth** ([TSX:WEED](#)), which is down by 65% and **Tilray** ([TSX:TLRY](#)), which is down by 55% year to date. These two companies hold the title of potentially becoming the largest producers in the world, with the United States a large focus.

There are some differences though. Tilray stock has been focused on growing both in the United States and globally as well. Tilray stock also has a large influx of medical marijuana on its roster. Meanwhile, Canopy stock is different. It's pretty much divested its German assets as well as its medical marijuana brands. Now, Canopy stock is focusing on recreational use, sure, but also on hemp-based and cannabidiol products for consumption pretty much anywhere in the United States.

And that's the key here. Both companies are laser focused on the United States growth of the cannabis industry. So, if you're going to buy either, these are the ones to consider.

## Bottom line

The cannabis industry is set to boom in the next decade and beyond. But as with all industries, there's likely to only be a few companies that come out on top. Frankly, it's a toss up whether it will be Canopy stock or Tilray stock. But, in my opinion, at this point, you can't go wrong with either, as long as you're willing to wait it out.

### CATEGORY

1. Cannabis Stocks
2. Investing

### TICKERS GLOBAL

1. NASDAQ:CGC (Canopy Growth)
2. NASDAQ:TLRY (Tilray)
3. TSX:WEED (Canopy Growth)

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1. alegatewolf
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#### **Author**

alegatewolf

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