



5 Things to Know About Cannabis Stocks in November 2022

Description

There have been quite a few changes over the last few years in terms of [cannabis](#) stocks. And it goes far beyond merely legalization in Canada. In fact, there have been so many changes that in November alone, there could be quite a few things for interested investors to watch.

With that in mind, here are five things investors should know about cannabis stocks in November.

1. Decriminalization is on the table

No, decriminalization in the United States *hasn't* happened yet. However, did make some changes in October that affected cannabis stocks significantly. For federal offences of "simple possession of marijuana," the president announced a pardon. He then urged all governors to do the same.

Biden then put forward a proposal to change how marijuana is scheduled under the law. As of now, it's currently a Schedule 1 classification, the same as heroin or LSD, and is, in fact, higher than substances like fentanyl. This as well could ease the transition to decriminalization.

2. Elections taking place

Investors should take a look at the elections taking place across the United States. There are several states that will be voting on marijuana legalization. While the substance is legal for medical use in 39 states, only 19 have legalized it recreationally.

This month, Arkansas, Maryland, Missouri, North Dakota, and South Dakota will vote on legalization. Should all of them vote in favour, that would bring in the total to 24 — almost half of the states in favour in the country. This again moves towards the growing movement of federal legalization.

3. Value already there

A recent report shows that cannabis is now the United States's sixth most valuable crop. And again, I'll stress that this crop is not legal in terms of recreational use across the country. The [growing](#) movement is there, but companies are also preparing by growing hemp and cannabidiol products.

The report by Leafly states that the product is now worth about US\$5 billion per year. Adult-use cannabis farmers grew about 2,834 metric tons of cannabis during 2022 (which isn't even over yet), all in 15 legal states.

4. Canopy Growth is growing

The news coming in from the White House in particular sent **Canopy Growth** ([TSX:WEED](#)) on the war path. The company stated for years that it would buy companies as soon as legalization happens in the United States.

Last month, Canopy Growth stock made good on that promise. It announced it would be acquiring Acreage, which will now make up about 75% of its U.S. revenue. This could seriously help the company meet its profit goals in the future should legalization occur.

5. Tilray comes in strong

Finally, early in November, **Tilray** ([TSX:TLRY](#)) also made a similar announcement that it acquired Montauk Brewing. However, unlike Canopy Growth stock, it's looking to expand its alcohol division. What the company plans to do with Montauk, it didn't say.

However, Tilray stock will have immense exposure to companies such as **Walmart**, **Costco**, and **Target** to name a few. Tilray has already stated it intends to use its other beverage brands to make products containing tetrahydrocannabinol (THC).

Bottom line

Cannabis stocks are on the move, with Canopy Growth stock and Tilray stock up 38% and 17%, respectively, in the last two weeks. So, that's certainly reason enough to continue watching these two large cannabis stocks in the coming month.

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Date

2025/08/16

Date Created

2022/11/08

Author

alegatewolf

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