



Canopy Growth Stock Rose 35% in November: Is it a Buy Today?

Description

Canopy Growth ([TSX:WEED](#)) shares soared 35% in November before coming back down to earth and seeing just a 2% rise from the first to the last day of the month. Even so, Canopy Growth stock has seen shares increase by 47% since the end of October to date. So, what's been happening, and should investors consider the [cannabis stock](#)?

Making headlines

The growth for Canopy Growth stock started back in October with an announcement from the White House. President Joe Biden stated that there would be a pardon in place for anyone convicted of federal charges of simple marijuana possession. Biden then asked governors to follow this lead and stated the Secretary of Health and Human Services and Attorney General should start reviewing how marijuana is classified under federal drug laws.

This alone sent shares of Canopy Growth stock up about 30% before coming down slightly. However, it wasn't long before shares started climbing upwards again. While it wasn't directly related to the news from the White House, Canopy Growth stock moved ahead with its U.S. takeover plans.

The company's shares surged yet again about 30% when it stated it would fast track its plans for the U.S. market. This included the creation of a U.S. company to hold its cannabis investments, including Acreage, Wanna and Jetty. In fact, Acreage was the next move that sent shares soaring, with Canopy Growth stock moving to 100% ownership.

Earnings improvement

While Canopy Growth stock still operates at a loss, its recent earnings report also sent shares up about 30%. The second-quarter loss came in at \$78.1 million, which is down from \$162.6 million the year before. Further, it posted revenue of \$117.9 million, beating consensus estimates of \$113.13 million.

Higher sales came from the company's BioSteel business, which sells sports and health drinks.

However, it looks like the company will soon see growth in its recreational cannabis sector once more — especially if midterms help.

With the Democrats holding on to a narrow Senate majority, Canopy Growth stock chief executive officer David Klein believes this will be key to cannabis legalization and reform. Only time will tell, but given the wave of states legalizing recreational and medical use, it does look likely.

Bottom line

Canopy Growth stock had a lot of growth in a short period of time, of course, leading to some dips in the market as well. There continues to be a volatile situation, one that is likely to get worse before it gets better should we enter a [recession](#) in 2023, which analysts continue to believe is likely.

With this in mind, is now a good time to invest in Canopy Growth stock? The cannabis producer maxed out its share price around \$70 before. Given that, its current share price of \$4.70 looks like a steal. But I would certainly not base its current share price on a guarantee of a return to past prices.

That being said, it's clear marijuana legalization will happen in the United States. Canopy Growth stock is now ready to take that on, which could end up being a US\$50 billion industry by 2026, according to estimates. In that sense, today looks like a great time to get in on Canopy Growth stock, but only if you're willing to go through some rough times to get to strong long-term returns.

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