



Cannabis Stocks – Should Investors Buy Before 2023?

Description

The New Year is fast approaching. Yet, 2023 is promising to be quite challenging. Economists believe that interest rates may continue to rise, especially with the Bank of Canada stating as much. That being said, many are also wondering if now is still the right time to invest.

After all, we may have already reached market bottom. Shares hit their lowest point of the year back in October 2022. Since then, the [TSX](#) is still down 7% year to date. However, that's an improvement from the 18% we saw in the fall.

So while the future is uncertain, there may be some strong opportunities out there right now. In fact, one opportunity that may worth another look is cannabis stocks.

Why now?

Cannabis stocks have recently hit the headlines once more in the last few months for a number of reasons. First, President Joe Biden pardoned thousands of Americans for prior federal charges for simple marijuana possession. He then called on the government to review how [marijuana](#) is classified as a federal drug in the law.

Given this, cannabis stocks rose as it looked like there would be another move closer to, if not, legalization, decriminalization. Then, the momentum kept rolling.

During the recent state elections, three more states added the recreational use of marijuana to the legal column. Rhode Island, Maryland, and Missouri now make up the 21 states, two U.S. territories, and the District of Columbia where it's recreationally legal.

That's on *top* of the states that legalized medical use, with Mississippi legalizing it this year. With such major moves towards legalization, it's clear why cannabis stocks have seen a bit of a rebound.

What this means for investors

With 2023 promising to be slow to start, we could continue to see a slow recovery. Then, there could be a strong period of growth in the second half of the year. Growth that could explode for high-growth (though high-risk) opportunities such as cannabis stocks.

This is why it's important that investors learn from past mistakes. This is not a time in which we're going to see any and every cannabis stock climb. Far from it. Investors are seeking out long-term opportunities instead. And in that sense, there are only two I would recommend.

Tilray and Canopy Growth

The two cannabis stocks I would still recommend considering before 2023, and beyond, are **Tilray** ([TSX:TLRY](#)) and **Canopy Growth** ([TSX:WEED](#)). These two offer investors growth in Canada, but far more of a global opportunity. Especially in the United States.

Tilray and Canopy are now the two potential companies that could be the largest marijuana producers and sellers in the entire world. Given that global marijuana sales hit US\$13.2 billion in 2021, and are expected to reach US\$102.2 billion by 2030, that's an enormous market. But the U.S. is bound to be the largest contributor.

That's why Tilray stock and Canopy stock look compelling as these companies continue to announce moves in this market. Canopy stock brought online its Acreage acquisition, for one. Tilray stock is making more partnerships in infused beverages and production companies, for another.

The future looks lit, but only for some

Cannabis stocks are still in for a rocky future. However, it's a future that will stabilize with time. Think of this as like the beginning of mass alcohol legalization. There were some rocky times, to be sure. However, we're now in a place where there are large alcohol companies with blue-chip status.

With a recovery perhaps on the way, I would consider getting in on cannabis stocks before 2023 is out. Because who knows what the New Year will bring, especially south of the border.

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1. Cannabis Stocks
2. Investing

TICKERS GLOBAL

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2. TSX:WEED (Canopy Growth)

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