



Clip off Some Growth With These 2 Top TSX Cannabis Stocks

Description

When it comes to cannabis stocks, Canada is a trendsetter. The first major economy to legalize cannabis, this sector has been red-hot in recent years.

However, cannabis stocks have been under pressure of late. A variety of reasons for this exist. However, the fact that legalization in the U.S. has yet to materialize is one factor which has taken all cannabis stocks down of late.

That said, two top cannabis stocks investors bullish on the long-term prospects of this sector should consider are **Curaleaf** ([CNSX:CURA](#)) and **Hexo** ([TSX:HEXO](#))(NYSE:HEXO).

Here's why.

Curaleaf

As the [leading vertically integrated cannabis player](#) in the U.S. market, Curaleaf continues to be a top pick of mine right now.

Indeed, I'm very bullish on the U.S. cannabis market long-term. Of course, delays with respect to Federal U.S. cannabis legalization are a big hit to players such as Curaleaf with so much to gain from this legislation. That said, in the current state-by-state model, Curaleaf is doing just fine.

The company's revenue growth rate has been as impressive as its margins. As Curaleaf gobbles up more market share in more new markets across the U.S., the company will become an even greater force to be reckoned with. For now, investors will be looking to load up on the pick of the litter. And in my view, that company is clearly Curaleaf, at least in the U.S.

Hexo

A domestic Canadian pick, Hexo's focus has been on growing its market share in Eastern Canada, Quebec specifically. That said, this Canadian cannabis player has recently been expanding its horizons.

Hexo's recently made a key acquisition to enter the European market. Indeed, while all cannabis companies wait patiently for U.S. legalization to open up export markets, Hexo is being proactive. This move to expand the company's horizons could be a solid one for long-term shareholders.

But for now, Hexo has become a leading player in the Canadian cannabis space, for what it's worth. I think more consolidation is likely in Canada, and Hexo could take the role of consolidator at some point. For those looking for Canadian cannabis exposure, Hexo remains one of my top picks right now.

Bottom line

Both cannabis players appear to have strong long-term growth prospects. Indeed, investors seeking such growth will need to pay up. These stocks aren't cheap.

That said, the cannabis sector is one of the most exciting (and volatile) places to invest. For younger investors who are more aggressive and can stomach greater potential losses today, such companies could turn out to be great portfolio adds right now.

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TICKERS GLOBAL

1. CNSX:CURA (Curaleaf Holdings, Inc.)
2. NASDAQ:HEXO (HEXO Corp.)
3. TSX:HEXO (HEXO Corp.)

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Author

chrismacdonald

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