

## Three Stocks that Belong in Your Portfolio Now

If you *really* want to become a better investor then you need to be looking at where the smart money is heading. You need to understand what is truly driving the markets and how you can take advantage of these moves as – and before – they hit the mainstream.

That's how the long-term wealth can be found.

We believe these three stocks below can be of assistance in achieving those goals.

### Hot Stock No. 1 – Square Inc. (SQ)

SQ remains our top pick for 2019. It's already recovered from a low of \$54 to \$70 a share. Technically and fundamentally, the stock appears to be in great shape. Granted, last year wasn't its finest and we were knocked out of a previous trade, but it's got a lot going for it. For one, third quarter revenue was up 51% year over year. Adjusted revenue was up 68%. That's up from growth rates of 48% and 60% in the second quarter.



Analysts are taking advantage of the pullback, too. Canaccord Genuity for example just upgraded SQ to a Buy from a Hold, noting they had “been on the wrong side of Square stock for some time,” as noted by Barron's. The firms also noted it sees a long-term opportunity given Square's status as a “truly disruptive company.”

There are two ways to trade SQ at the moment.

One way is to buy the stock at market prices. Another way is to buy to open the SQ March 15, 2019 80 and 85 calls at market.

### Hot Stock No. 2 – Canopy Growth (CGC)

Historically, we've done well with marijuana stocks. In fact, we once recommended TLRY at less than \$30 before it exploded to \$300 a share. With recent pullbacks, post-Canadian legalization, we're being offered another opportunity at bargain basement prices.

According to analysts at Cowen, U.S. cannabis sales alone could reach \$80 billion by 2030 -- an increase of \$5 billion from earlier estimates, and a 4% compound annual growth rate.



The firm believes both stocks could see triple-digit revenue growth in 2019, as additional capacity begins to come online. Both will also benefit from robust demand, as well. Analysts at Cowen expect to adult-use market to generate retail sales of \$2.3 billion in 2019. Cowen analysts also argue that increased cannabis use could threaten to cannibalize consumption of other products, such as alcoholic beverages. It's why alcohol companies like Constellation Brands invested \$4 billion in Canopy Growth. Molson Coors even listed legal cannabis among the biggest possible risks to its business in its annual shareholder report. Anheuser-Busch InBev (BUD) looks to be jumping on the bandwagon, too.

With sizable cannabis growth in store, and a higher likelihood of falling alcohol sales, we're likely to see further investments from major companies. "Hypothetically you take a consumer that on a beer occasion would have three or four beers and then add cannabis to the mix, well now that's one or two beers plus cannabis," Cowen analysts noted. "As we think ahead to 2019, we are increasingly cautious again on beer. I would expect all of the large global alcohol players are paying attention to this."

Buy shares of CGC at market prices. Another way is to buy to open the CGC March 15, 2019 50 calls at market prices, too.

### Hot Stock No. 3 – CannTrust Holdings (CNTTF)

One of the most exciting stories for investors has been the push by marijuana stocks to list of major U.S. exchanges in the U.S. and abroad. By doing so, cannabis companies draw bigger investors, including institutional investors that aren't often able to invest in OTC-listed stocks. While there's nothing wrong with listing on the OTC, a major exchange offers a bigger audience of potential investors, and Wall Street firms.



CannTrust Holdings (CNTTF) – which has applied to list its shares on the NYSE – is one of those to keep

on your radar. "CannTrust has firmly established itself as one of the top licensed producers in Canada with a global platform rooted in trust, science and innovation," CEO Peter Aceto said. "A listing on the NYSE is a natural step forward in our evolution as we look to broaden our investor base, increase the company's exposure and expand our business on an international scale."

Buy shares of CNTTF at market prices.