

Two of the Safest Ways to Trade the Cannabis Boom

The cannabis boom is here to stay.

DSW has been running tests in its stores with CBD, announcing plans to expand such products to nearly 100 stores. Neiman Marcus is pushing ahead with CBD sales at some of its stores and online. Simon Property Group is partnering with Green Growth Brands to open 108 stores in its malls just in 2019. Barney's is launching "The High End."

The CEO of Whole Foods has indicated that he's keeping a close eye on cannabis regulation, suggesting that it could show up on shelves.

Canopy Growth just teamed up with Martha Stewart to produce a line of CBD products for people and their pets. "I am delighted to establish this partnership with Canopy Growth and share with them the knowledge I have gained after years of experience in the subject of living," Stewart said, as quoted by CNN.

And more U.S. states are pushing for approval, too.

Lawmakers in Kentucky and West Virginia are now considering legalization. Indiana, Missouri, Texas and Virginia could also soon vote on legalization bills that were recently introduced. All as legalization just begins to spread across the U.S.

Now, even New Jersey is looking to approve cannabis. Several New Jersey legislators are joining Democratic Governor Phil Murphy in announcing a bill that could allow for adult-use marijuana in the state.

"Legalizing adult-use marijuana is a monumental step to reducing disparities in our criminal justice system," Murphy said, as quoted by CNBC. "After months of hard work and thoughtful negotiations, I'm thrilled to announce an agreement with my partners in the Legislature on the broad outlines of adult-use marijuana legislation."

The boom has only just begun.

Spending on worldwide cannabis could reach \$57 billion by 2027, according to Arcview Market Research and BDS Analytics. Analysts at Cowen note the U.S. cannabis market could rocket to \$16 billion by 2025. Analysts at Piper Jaffray say we could be looking at a global market value of between \$250 billion to \$500 billion a year. "We believe the long-term growth can be significant – both from transitioning illicit trade to legal sales, medical sales, and from transitioning sales in health and wellness categories to CBD-infused products," said the analysts, as quoted by MarketWatch.

The CBD story is disrupting alcohol, cigarettes, food, pharmaceuticals, and even the massive \$4.2 trillion global wellness industry.

As the story sweeps the globe, it's creating a modern-day Gold Rush opportunity.

In fact, two of the best ways to trade the boom include:

The Horizons Marijuana Life Sciences Index ETF (HLMSF)

The ETF seeks to replicate, to the extent possible, the performance of the North American Marijuana Index, net of expenses. The Index is designed to provide exposure to the performance of a basket of North American publicly listed life sciences companies with significant business activities in the marijuana industry. It has holdings in Aurora Cannabis, Canopy Growth, Aphria Inc. Cronos Group, and CannTrust Holdings.



As many of us are aware, ETFs offer us more for less. If we were to buy the top pot stocks individually, we'd pay more than the cost of the ETF. For example, if we were to buy 100 shares of CGC, it would cost \$4,438. And, we'd only own CGC. If we were to buy 100 shares of the HMLSF ETF, it would cost us \$1,679.

ETFMG Alternative Harvest ETF (MJ)

The ETFMG Alternative Harvest ETF (MJ) offers investors access to the Canadian and global marijuana sector. The fund tracks an index of stocks across the globe that are engaged in the legal cultivation, production, marketing or distribution of cannabis products for either medical or non-medical purposes.

MJ also holds stocks of companies that trade or produce tobacco or tobacco products, or fertilizers, plant foods, pesticides or growing equipment for cannabis or tobacco. In addition, the fund can hold pharmaceutical companies that produce, market, or distribute drug products that use cannabinoids.



MJ has holdings in Canopy Growth, Aurora Cannabis, Cronos Group Inc., GW Pharmaceuticals, and OrganiGram Holdings for example.