

## **The Top 3 Ways to Trade Potential Cannabis Legalization in the U.S.**

Cannabis stocks could see higher highs.

At the moment, Senate Majority Leader Chuck Schumer is pushing for legalization, having just unveiled the Cannabis Administration and Opportunity Act.

According to Bloomberg, the bill “is expected to remove marijuana from the federal list of controlled substances. The bill would also tax and regulate marijuana on the federal level, while leaving states able to enforce their own laws regarding the drug.”

Helping, more Americans are supportive of legalization.

According to Pew Research, 91% of Americans now say cannabis should be legal, adding, “As more states, including Virginia and New York, continue to legalize marijuana, an overwhelming share of U.S. adults (91%) say either that marijuana should be legal for medical *and* recreational use (60%) or that it should be legal for medical use only (31%). Fewer than one-in-ten (8%) say marijuana should not be legal for use by adults.”

Potential legalization could be a significant catalyst for related ETFs, such as:

### **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 nonmedical 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.

### **The Cannabis ETF (THCX)**

What we like most about THCX is that it trades at less than \$10 and gives investors exposure to Canopy Growth, Grow Generation, Cronos Group, GW Pharmaceuticals, Neptune Wellness, and dozens more.

### **Global X Cannabis ETF (POTX)**

Another ETF to keep an eye on is POTX. At just \$11.30, it's also pushing higher on anticipation of potential legalization. Some of its top holdings include Aphria Inc., Canopy Growth, Cronos Group, Tilray Inc., GW Pharmaceuticals, and HEXO Corp.

“The Global X Cannabis ETF seeks to invest in companies across the cannabis industry. This includes companies involved in the legal production, growth and distribution of cannabis and industrial hemp, as well as those involved in providing financial services to the cannabis industry, pharmaceutical applications of cannabis, cannabidiol (i.e., CBD), or other related uses including but not limited to extracts, derivatives or synthetic versions,” as noted by Global X.