

Canopy Growth Corporation

11:48 14 Nov 2019

Buds & Duds: Cannabis stocks reel after Canopy Growth posts eye-popping C\$375 million loss

Cannabis stocks bled on Thursday after investors sent Canopy's stock sliding on disappointing quarterly earnings that saw the producer record a steep loss.

The North American Marijuana Index, which tracks the top cannabis stocks in the US and Canada dropped 5.6% at 114.9 points. Elsewhere, the Horizons Marijuana Life Sciences Index ETF fell 6.1% to C\$9.17, while the OTCQX Cannabis Index sank 4.2% at 430.2 points.

Duds

While investors braced for bad news as the biggest pot producer reported earnings, it was hard to imagine that Thursday's results could be this bad.

Canopy Growth Corp (TSE:WEED) (NYSE:CGC) shares hit a record low after posting a C\$375 million loss after its bet on softgels and oils went awry.

Its revenue came in at C\$77 million, a significant decrease from the previous quarter as sales fell 7%.

The cannabis giant has now missed analyst expectations in eight out of the last 11 quarters it has reported.

Shares of Canopy sank an eye-watering 15.5% in Toronto, hitting C\$20.66, and 15.9% in New York at US\$15.56.

Canopy's losses seemed to weigh heavily on the minds of Aurora Cannabis Inc (TSE:ACB) (NYSE:ACB) investors, who sent shares of the cannabis producer trading 9% lower in Toronto and 10% lower in New York at C\$4.27 and US\$3.20 respectively.

The Canadian producer will report its own quarterly results after market close Thursday.

Buds

On a day where flat was the new green, a few companies managed to see its shares buck the trend.

Zenabis Global Inc (TSE:ZENA) (OTCMKTS:ZBISF) saw its shares inch 1.4% higher in Canada after it posted quarterly revenue showing the cannabis producer narrowing its third quarter 2020 losses to US\$5.8 million from US\$18.4 million over the previous quarter.

The Vancouver-based company more than doubled cultivation from the previous quarter, producing more than 5,200 kilograms of dried cannabis and beating internal projections by 25%.

Other companies in the green included Chemesis International Inc (CSE:CSI) (OTCMKTS:CADMF) up 2.3% in Canada at C\$0.44.

Price: 32.57

Market Cap: \$11.35 billion

1 Year Share Price Graph



January 2019 July 2019 January 2020

Share Information

Code: WEED

Listing: TSX

52 week High Low
70.98 18.23

Sector: Cannabis

Website: canopygrowth.com

Company Synopsis:

Our vision is to be the number one cannabis company in the world. From product and process innovation to market execution and everything in between, we are driven by a passion for leadership, a commitment to drive the industry forward, and above all else, providing medical and recreational cannabis consumers the best possible experience.

action@proactiveinvestors.com

Pot for pets company True Leaf Brands Inc (CSE:MJ) also jumped 13.6% at C\$0.13 and 18.6% on OTC markets at US\$0.09 on no new news.

Contact Angela at angela@proactiveinvestors.com

Follow her on Twitter @AHarmantas

Proactive Investors facilitate the largest global investor network across 4 continents in 4 languages. With a team of analysts, journalists & professional investors Proactive produce independent coverage on 1000's of companies across every sector for private investors, private client brokers, fund managers and international investor communities.

Contact us +44 (0)207 989 0813 action@proactiveinvestors.com

No investment advice

The Company is a publisher. You understand and agree that no content published on the Site constitutes a recommendation that any particular security, portfolio of securities, transaction, or investment strategy is suitable or advisable for any specific person. You understand that the Content on the Site is provided for information purposes only, and none of the information contained on the Site constitutes an offer, solicitation or recommendation to buy or sell a security. You understand that the Company receives either monetary or securities compensation for our services. We stand to benefit from any volume which any Content on the Site may generate.

You further understand that none of the information providers or their affiliates will advise you personally concerning the nature, potential, advisability, value, suitability or profitability of any particular security, portfolio of securities, transaction, investment, investment strategy, or other matter.

You understand that the Site may contain opinions from time to time with regard to securities mentioned in other products, including Company-related products, and that those opinions may be different from those obtained by using another product related to the Company. You understand and agree that contributors may write about securities in which they or their firms have a position, and that they may trade such securities for their own account. In cases where the position is held at the time of publication and such position is known to the Company, appropriate disclosure is made. However, you understand and agree that at the time of any transaction that you make, one or more contributors may have a position in the securities written about. You understand that price and other data is supplied by sources believed to be reliable, that the calculations herein are made using such data, and that neither such data nor such calculations are guaranteed by these sources, the Company, the information providers or any other person or entity, and may not be complete or accurate.

From time to time, reference may be made in our marketing materials to prior articles and opinions we have published. These references may be selective, may reference only a portion of an article or recommendation, and are likely not to be current. As markets change continuously, previously published information and data may not be current and should not be relied upon.

The Site does not, and is not intended to, provide investment, tax, accounting, legal or insurance advice, and is not and should not be construed as providing any of the foregoing. You should consult an attorney or other relevant professional regarding your specific legal, tax, investment or other needs as tailored to your specific situation.