

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: 28.39

Market Cap: \$9.89 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.

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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.

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