

Market Movers

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Buds & Duds: High times for The Green Organic Dutchman after winning cultivation license in Denmark

Cannabis stocks endured a bumpy ride Tuesday despite the introduction of a bill in California's legislature that, if passed, would offer legal cannabis businesses a tax windfall to help them compete with black-market companies.

The North American Marijuana Index, which tracks leading cannabis companies in the US and Canada, fell 1.8% to 278.10 in early trade.

Known as the Temporary Cannabis Tax Reduction bill, assembly bill 286, would slash taxes for licensed marijuana sellers in California to 11% from 15% and also lift taxes for cultivation through the year 2022, according to a CNBC report.

Legal cannabis companies in the US are struggling to boost sales in the face of fierce competition from companies still operating underground.

Buds

Tuesday brought a few strong performers, with The Green Organic Dutchman Holdings (TSX:TGOD) (OTCQX:TGODF) climbing 2% to C\$4.12. The company has secured a cultivation license for Denmark from the Danish Medicines Agency. Indeed, the company is widening its reach in Europe through a pair of joint-venture agreements with Danish cannabis company Knud Jepsen. The new license will allow Knud Jepsen to begin research and development related to the creation of "elite cannabis genetics".

Shares of OrganiGram Holdings (CVE:OGI) popped by 3.4% to C\$7.33. CEO Greg Engel stirred things up by telling the news outlet MarketWatch that he expects the company's sales to double in the first quarter where marijuana sales are legal in Canada. In its latest quarter ending November 30, Organigram reported that its year-over-year sales climbed over 400% to C\$12.4 million, according to MarketWatch.

The company also announced Tuesday the striking of a multi-year extraction contract with Valens GroWorks. Under the deal's terms, Valens will extract cannabis flowers and trim from Organigram's Moncton, New Brunswick operation as well as hemp, to produce extract concentrate.

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Braingrid Corp (CSE:BGRD) was also a top-gainer, adding 3.1% to C\$0.165. The Toronto company has struck an integration agreement with Isolocity, a software company providing solutions for good manufacturing practice (GMP) and ISO 9001 compliance in the cannabis industry.

The deal will improve the technology platform Braingrid offers to cannabis growers. The company currently provides growers, specifically indoor ones, with a sensor platform called 'Sentroller' so they can monitor and keep a watchful eye on their crop at all times.

Duds

Coming along with the buds, there were several laggards on Tuesday as well.

Curaleaf Holdings (CSE:CURA) (OTCBB:CURLF) fell 3.7% to C\$7.90. The Wakefield, Massachusetts this week unveiled a management shake-up, tapping Neil Davidson as chief financial officer and Todd Goffman as general

Share Information

MarketTopic Synopsis:

This report focuses on major movers on the day with an emphasis on small and mid-caps.

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counsel and secretary. The two executives will report to CEO Joseph Lusardi. Davidson was formerly a FO for Deluxe Entertainment Services Group while Goffman formerly held the post of vice-president of corporate operations and general counsel at Netcracker Technology Corporation.

Tilray (NASDAQ:TLRY) also faced a rocky road, dropping by 7% to \$76.18. It could be the case that the stock is being pushed down by profit-taking as investors look to cash in on its rise since the company's \$17 IPO last July. Privateer, the private equity group which reportedly controls over three-quarters of Tilray's shares, recently said it would hold onto its stake during the first half of 2019.

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