

Hexo Corporation

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Buds & Duds: Cannabis stocks trip and stumble, HEXO sinks on 3Q earnings

Cannabis stocks continued to drop Thursday after a tough week so far with broad losses across North American markets.

The North American Marijuana Index, which tracks the top cannabis stocks in the US and Canada, was down 2% to 239.7 points on Thursday. The Horizons Marijuana Life Sciences Index ETF was down 1.7% to C\$18.77. The OTCQX Cannabis Index was down 2.3% at 735.1 points.

Duds

HEXO Corporation (NYSEAMERICAN:HEXO) (TSE:HEXO) announced fiscal third-quarter results Wednesday that showed surging revenue thanks to the ongoing rollout of a legalized cannabis market in Canada. The cannabis producer saw sales jump more than tenfold to C\$13 million but fell short of Street estimates by C\$1 million.

That sent the shares down 8.4% at C\$7.81 in Toronto, and 9.1% lower to US\$5.86 in New York.

"The past five years have seen the cannabis industry landscape, and our company, evolve significantly," said HEXO CEO and co-founder Sebastien St-Louis. "This evolution continues at a staggering pace, as HEXO ramps up production effort and significantly increases its inventory, further contributing to our capacity to meet the demand and to reach our sales and revenue targets."

READ: HEXO sees huge revenue jump in the third quarter but still misses estimates

Other laggards Thursday included MariMed Inc (OTCMKTS:MRMD), with shares down 20% at US\$2.00.

The firm did not release any news other than a release about the launch of its new website.

"Over the past year, MariMed has expanded beyond its advisory service origins with new sales and production facilities, product expansion, strategic acquisitions, key executive hires, and the launch of a wholly-owned subsidiary, MariMed Hemp, focused on hemp-based CBD markets," said Penelope Finnie, senior VP of marketing and branding. "The new website and URL reflects not only MariMed's recent accomplishments and growth, but also our long-term goals for the company."

And Cronos Group Inc (NASDAQ:CRON) (TSE:CRON) lost 4.8% to US\$16.27 in New York.

Terra Tech Corp (OTCMKTS:TRTC) shares also lagged, down 4.3% at US\$0.67 after the firm released news Wednesday that it was acquiring the remainder of the Blüm Reno dispensary and the building where the facility is located from Forever Green NV and Forever Young Investments, in Nevada.

Buds

Topping the list of gainers on Thursday included Namaste Technologies Inc (CSE:N) (OTCMKTS: NXTTF), which saw

Price: 0.7082

Market Cap: \$340.45 m

1 Year Share Price Graph



October 2019 April 2020 October 2020

Share Information

Code: HEXO

Listing: NYSE

52 week High Low
2.695 0.34555

Sector: Cannabis

Website:

Company Synopsis:

Canadian cannabis market.

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shares up 7.6% at C\$0.71 in Canadian trading. The firm did not release any news, but the firm announced last week that the management cease trade order imposed by the British Columbia securities commission (BCSC) and the Ontario securities commission (OSC) in April has been lifted.

With the lifting of the cease trade order, directors, officers and other insiders of Namaste are allowed to trade the company's common shares.

READ: Namaste sees management cease-trade order lifted

Other gainers Thursday included High Hampton Holdings (CSE:HC) (OTCMKTS:HHPHF), which announced earlier this week the firm announced is changing its name to Mojave Jane Brands Inc.

Shares were up 3.1% at C\$0.34 in Toronto.

The Toronto-based company has a vertically integrated presence in California, including the Caligold brand of cannabis-infused chocolate. Pending approval, the company will also change its ticker on the Canadian Securities Exchange to "JANE."

"As we begin to deliver on our consumer and brand first strategy, it's appropriate that we re-launch and re-name this business to reflect that strategy," said CEO Gary Latham. "More than a name change; this is a well-orchestrated plan that began and continues with the acquisition of leading California companies in the manufacturing, distribution, and delivery businesses."

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