

The Latest News on What's Been Happening in Canada's Marijuana Markets

Description

Most marijuana stocks are down to start 2018 — ironically, the year expected to make recreational pot legal across Canada.

Contrary to the “euphoria” that had taken over cannabis investors towards the end of 2017, it seems that there have been a couple of hiccups along the way and still a few wrinkles that need to be ironed out.

Legalization date has been pushed back

Throughout the current journey towards the legalization of marijuana for recreational purposes in Canada, Prime Minister Justin Trudeau has been guiding the public towards an effective date of July 1, which also happens to be Canada's national holiday.

And as recently as this past February, Canada's Public Safety minister Ralph Goodale announced that things were progressing “on track and on time.”

However, that appears to no longer be the case.

Ginette Petitpas, the Canadian health minister, has since been on record as saying that legal marijuana for recreational purposes more than likely will [not be available for sale](#) until at least August.

Petitpas says that following the final Senate vote currently scheduled for June 7, the provincial and territorial governments in charge of distribution will likely require an additional eight to 12 weeks to complete preparations to sell the drug.

Markets tend not to welcome news like this, and this time has been no different, with **Canopy Growth Corp.** ([TSX:WEED](#)) stock [down nearly 30%](#) from where it started the year, **Aurora Cannabis Inc.** ([TSX:ACB](#)) stock down more than 25% since the second week of March, and **Aphria Inc.** (TSX:APH) stock among those suffering the most, trading at nearly half the price of where it was as recently as January.

It's still happening (probably); it's just going to take longer now

While the delay is certainly not what cannabis investors wanted to hear, it's no reason to start panicking just yet.

Most remain confident that the Trudeau government has all the votes in place to put the final legalization bill through in June.

But in a market where there was so much hope and optimism placed on the valuations assigned Canopy Growth stock, Aphria stock, and many others, it often doesn't take much to prick the bubble, so to speak.

Some estimate that the lost revenues from pushing sales back an additional month could cost the Canadian marijuana industry as much as \$350 million in lost sales this year.

Bottom line

The latest break has certainly posed as a setback to marijuana stocks, but all is not for nigh.

While lost revenues are a very real thing, an investment in the marijuana sector is far from predicated on a single year's earnings and is one that will require several years to pay back a return.

Investors who remain bullish on the sector may want to hold firm in their convictions amid the recent volatility, possibly using the opportunity to find weaker segments of the market that offer superior long-term potential.

CATEGORY

1. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

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2. TSX:WEED (Canopy Growth)

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