



## Canadian Investors Are Buying This “Odd Couple” of Cannabis Stocks

### Description

Two very interesting developments in the cannabis world have come at the same time. Last week, the ripples of an allegedly non-compliant grower were felt through the marijuana investment space, while a brand-new listing on the TSX is getting traders interested. Let's take a look at two very different cannabis stocks that Canadians are getting invested in.

### White knights versus a spreading blight

Could there be yet more headline-generating drama yet to unfold in the **CannTrust Holdings** (TSX:TRST)(NYSE:CTST) saga? According to *BNN Bloomberg*, more than one Canadian cannabis company has been circling CannTrust with a view to buying out the troubled marijuana grower. This comes after Health Canada concluded that [CannTrust had been growing cannabis in a number of unlicensed rooms](#).

What would a buyout look like? With all CannTrust cannabis sales and shipments now halted while Health Canada continues its audit, some additional insight would likely be necessary for a buyer to put in a bid. Risk abounds, despite CannTrust's client base, and a “white knight” may not be willing to take that on.

Meanwhile, there is still a chance that CannTrust could get back within compliance and continue where it had left off. Investors have seen the situation as an opportunity to snap up a battered stock, driving the share price up by over 8% over the week in a show of confidence in CannTrust's operation. The stock had plummeted by around half its previous value when news broke of Health Canada's unfortunate findings.

The possible outcomes of the scenario are wildly varied, with the prospect of a large fine on the table, or even the revoking of CannTrust's outstanding licence. However, if an outsider steps in and can prove to Health Canada that further non-compliance won't occur, there's a possibility that CannTrust could stay in business — although its seized marijuana stock may well be destroyed. After all, there's a prime site just waiting to be run, and CannTrust's sales network is a valuable proposition.

## A new wild ride for cannabis bulls

Having debuted last Thursday, newcomer **Avicanna** ([TSX:AVCN](#)) is an [exciting play in the cannabis space](#) for investors who missed out on last year's upside-rewarding rodeo. Down 6.08 since debuting, the share price has kicked back to end the day 11.56% positive. Avicanna is likely to produce wild share price volatility, with the ability to reward cannabis investors.

The stock debuted at \$7.40 and promptly shed 8%, making it instantly attractive to capital gains investors seeking the widest possible profit margin. This caused the stock to bounce 10%. If this pattern continues, the ability for investors to make some fast cash is almost too tempting to ignore. What's even more exciting is that more IPOs are on the way this year, with Breath of Life International set to hit the TSX.

## The bottom line

With a cannabis stock that has run aground and one that has just gotten started, it's certainly an interesting space to watch. With some persuasive signs pointing to a CannTrust buyout, and Avicanna looking like a high-momentum stock ripe for a breakout, these are two top tickers for cannabis investors to watch for the remainder of the summer, with the newly IPO'd Avicanna a tempting play for some quick upside.

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## Date

2025/08/18

## Date Created

2019/07/23

## Author

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