



Why Namaste Technologies's (TSXV:N) Stock Price Fell 10% in August

Description

Namaste Technologies (TSXV:N) is one of the more interesting cannabis stocks out there, because, in reality, the company doesn't actually grow, cultivate, or harvest any of the plant itself.

Rather, Namaste employs a unique and fast-growing online distribution model that's aimed at helping to connect cannabis users with the strains they need in order to help alleviate the symptoms they're suffering from.

Originally focused on the online sale of cannabis dry flower and pre-rolled cannabis cigarettes, the company has continued to branch out its product selection from just three strains and 11 SKUs when it initially launched to now more than 39 strains and over 170 SKUs from more than 17 federally licensed cannabis producers (LPs).

More recently, Namaste has been experimenting with a new consignment inventory strategy that it hopes will help allow LPs to maintain more control over their branding while affording itself more leeway in offering it customers a greater selection of brands, strains, and applications without placing too much strain (no pun intended) on its own working capital requirements.

In addition, the company has also recently inked deals with Pineapple Express, a marijuana delivery company, Chokolat Inc, a specialty chocolatier, whose aim is to work alongside LPs to create [cannabis edibles](#) for sale on Namaste's Cannmart online marketplace, and Findify, a global leader in A.I. (artificial intelligence) powered e-commerce technology.

The Findify acquisition (the largest of the three) is of particular interest, as what Namaste is trying to do is solicit and gather customers' feedback on the experiences they have had with different cannabis strains and applications.

Because cannabis has been listed as a Schedule 1 drug for the past several decades, there's still very little information and research out there on how users interpret their experiences with different strains and concentrations of the drug.

Thus, Namaste is hoping that by collecting and analyzing the experiences of different users, it can help

connect future customers with the exact product they're looking for, ideally offering and delivering those products to those customers via its Cannmart shopping centre.

Foolish bottom line

With a market capitalization of less than \$200 million, this is still one of the more junior plays out there within the cannabis space right now, so investors will need to be aware that this type of investment does carry with it an outsized degree of volatility and thus risk.

Case in point, the fact that N.V shares lost close to 80% of their value between last October's official legalization date and this past summer.

But more recently, and since the official announcement of Meni Morim as the company's new permanent CEO, the stock has begun to pick up again in a [very serious way](#).

Namaste shares are up more than 52% through the first few days of trading this week, making this one of the hottest cannabis stocks in the market out there anywhere right now.

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Date

2025/09/29

Date Created

2019/09/05

Author

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