



2019 Canadian Election: Cannabis Fatigue

Description

Cannabis was *the* hot topic in the 2015 election. Legal weed garnered Canada global attention and ignited an even more rigorous debate over how the industry would be structured and regulated after the Liberal victory. The push for legal weed was hugely consequential for investors and sparked a gold rush in the fledgling sector.

Canada finally crossed the finish line in October 2018 and [legalized recreational cannabis](#). Later this month I will discuss the [successes and failures of legalization so far](#), but today we are going to focus on the impacts this election could have on cannabis stocks.

Canopy Growth stock was priced below the \$2 mark in the week before the 2015 Canadian election. As of close on October 4, it was priced at \$30.51 and boasted a market cap above \$10 billion. Still, it has been a bumpy ride for Canopy Growth since late April.

Analysts had warned of weak earnings for top producers like Canopy and **Aurora Cannabis** ahead of the spring and summer. Aurora failed to achieve profitability in its most recent earnings report and partly blamed the slow retail rollout in Ontario and other Canadian provinces. The news was worse for Canopy, which said in August that it would need another three to five years to turn a profit. Fortunately, Canopy boasts a multi-billion-dollar war chest and a heavyweight backer in the form of **Constellation Brands**.

Canada is set to legalize edibles, vape pens, and other products that will allow Canopy and other cannabis companies to move forward with a plethora of product launches. This next round of legalization is being called "Cannabis 2.0." Canopy has a large stable of products that it intends to launch before the New Year.

Most parties are mum on marijuana

Many of the top major parties have failed to chime in on cannabis. The Conservatives, who opposed recreational cannabis legalization in 2015, have made it clear that they do not intend to revisit the issue in the future. The party has not brought forth any specific proposals on the issue.

The Bloc Quebecois, the New Democratic Party (NDP), and the People's Party of Canada have also failed to release any specific proposals on cannabis. The Green Party has vowed to introduce measures that aim to remove obstacles to cannabis production and sales. This would include lowering the federal price for cannabis to compete with a resurgent black market, removing the sales tax on medical cannabis, and imposing organic production standards.

As we have already gone over, the Liberals plans to legalize edibles, extracts, and topical products by October 17. These products are expected to hit shelves by the middle of December.

Cannabis stocks ahead of the election

Horizons Marijuana Life Sciences ETF, which seeks to replicate the North American Marijuana Index, has dropped 32% over the past three months. While the 2015 election was huge for the cannabis sector, this one is shaping up to be almost entirely inconsequential. Cannabis investors should instead focus their attention on "Cannabis 2.0" and look to jump on value ahead of the next batch of product launches.

CATEGORY

1. Cannabis Stocks
2. Investing

POST TAG

1. Cannabis

PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
5. Yahoo CA

Category

1. Cannabis Stocks
2. Investing

Tags

1. Cannabis

Date

2025/08/23

Date Created

2019/10/07

Author

aocallaghan

default watermark

default watermark