



Marijuana Round-Up: What Happened in Cannabis News in January

Description

In January, there was a flurry of activity in the Canadian cannabis market. There was so much activity that unless you're a religious follower, you've likely forgotten half of what happened. Let's review the biggest marijuana news of last month.

The love triangle

One of the biggest "will they or won't they" stories of the last few months has revolved around **Aurora Cannabis Inc.** ([TSX:ACB](#)), **CanniMed Therapeutics Inc.** (TSX:CMED), and **Newstrike Resources Ltd.** (TSXV:HIP). Aurora wanted to merge with CanniMed, but CanniMed wanted to purchase Newstrike instead.

The Newstrike deal got an interesting publicity boost when Canadian rockers the Tragically Hip threw their weight behind the deal. (The band has a +5% stake in Newstrike.) CanniMed considered the Aurora offer to be a hostile bid, so for a while, it seemed the CanniMed/Newstrike deal would be the one to survive. Surprise! Aurora and CanniMed came to friendly terms on January 24 after Aurora considerably sweetened its bid. This also put the kibosh on the Newstrike plan. (The deal is not yet finalized.)

Aurora also announced on January 29 that it has received a licence from Health Canada for its third facility, Aurora Sky, which is currently being built in Edmonton. When completed, it will be an 800,000-square-foot hybrid greenhouse.

It's been a good month for Aurora.

Where does that leave Newstrike? It's not happy, and its deal with The Hip doesn't look as good now that the band won't be producing any more music or touring, lessening their promotion capabilities. The company did receive a \$9.5 million break fee from the fallen-through deal and raised more than \$90 million right after the Aurora/CanniMed deal was announced through a private share placement, so not all the news is bad.

The newest kid on the block

Since individual marijuana stocks have been piping hot over the last few years, the market decided marijuana needs its own exchange-traded funds. The first Canadian *actively* managed ETF began trading on February 1 under the ticker MJJ. It's the **Marijuana Opportunities Fund** operated by Redwood Asset Management. **HORIZNS MARIJUNA LF CL A UNT ETF** ([TSX:HMMJ](#)) already has a marijuana ETF, but it is not actively managed. That fund gathered over \$100 million in assets in just one month, so expect this new ETF to do a brisk business.

The U.S. market

Canadian cannabis marijuana producers have been worried since a TSX announcement last year that it could de-list any stocks that breached federal laws. Canadian Securities administrators are still reviewing their policies around this issue. **Aphria Inc.** (TSX:APH) is worried enough that it is beating a retreat from the U.S. market. The company is planning to sell its non-controlling stake in an Arizona medical cannabis producer for a start.

Any other issues on the horizon?

In what seems like unrelated news, the Canadian Senate forced through an approval to make Canada's national anthem gender neutral at the end of January. The Conservative caucus was unimpressed with the procedure and is now threatening to hold up other legislation important to the Liberal government, including the new marijuana laws. If they make good on their threat, the Conservatives could force a pushback in the July 2018 legalization date. Stay tuned for more information on that front.

Investor takeaway

We've got plenty of other stories on the marijuana market here at the Motley Fool. For a general round-up, check out this [article](#) about marijuana prices by Fool contributor Chris MacDonald, and this [article](#) by Fool contributor Demetris Afxentiou about which stocks might soar when legalization happens this year. The one thing I can promise is the industry will continue to be a news generator throughout 2018.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:ACB (Aurora Cannabis)
2. TSX:HMMJ (Horizons Marijuana Life Sciences Index ETF)

PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

Category

1. Investing

Date

2025/08/18

Date Created

2018/02/04

Author

sportelance

default watermark

default watermark