

The Cannabis ETF

12:04 08 Jan 2021

Cannabis stocks surge as Democrat Senate wins raise hopes of US decriminalisation

The recent success of Democrat candidates Jon Ossoff and Raphael Warnock in elections for two US Senate seats in the state of Georgia has proven to be a boon for North America's cannabis firms.

Since the results of the two votes on Wednesday, which saw the two candidates unseat Republican incumbents David Perdue and Kelly Loeffler, shares in some of the world's major cannabis groups have seen sharp increases in value.

Shares in Canadian cannabis group Canopy Growth Corp (NASDAQ:CGC) have risen 11% since Wednesday morning to US\$30 as of Thursday's close in New York, while its peer Aurora Cannabis Inc (NYSE:ACB) climbed 5.2% to US\$10.20.

A number of exchange-traded funds (ETFs) focused on the space also received bumps as the results emerged, with ETFMG Alternative Harvest ETF (NYSE:MJ) having risen 11% to US\$17 while Cannabis ETF (NYSE:THCX) jumped 12.5% to US\$15.30.

The victory of Ossoff and Warnock, which has effectively handed Democrats control of the Senate, has raised hopes that federal regulation of cannabis could be relaxed as part of the legislative agenda of incoming president Joe Biden.

Biden and his vice president Kamala Harris have taken a more reformist approach to the drug than their Republican counterparts, while the Democrat-controlled House of Representatives previously passed legislation calling for cannabis to be decriminalised at the federal level.

The Marijuana Opportunity Reinvestment and Expungement (MORE) Act passed by the House aims to remove cannabis from the US Controlled Substances Act and aims to erase certain federal convictions and essentially decriminalise the drug nationally for the first time.

If passed, the MORE Act is expected to encourage investors and larger corporate entities that have previously been hesitant to become involved in the US cannabis industry due to federal prohibition, potentially providing a boost to the sector and the wider economy.

The US cannabis market is also estimated to be worth US\$130bn by 2024, a potentially lucrative source of tax revenues for the government.

Price: 21.05

Market Cap: \$186.29 m

1 Year Share Price Graph



March 2020 October 2020 February 2021

Share Information

Code: THCX

Listing: NYSE

52 week	High	Low
	30.07	6.28

Sector: Cannabis

Website: thcxetf.com

Company Synopsis:

THCX was constructed to make investing in cannabis easier by helping investors get exposure to a basket of stocks that are expected to benefit from growth of the hemp and legal marijuana industries.

action@proactiveinvestors.com

Proactive Investors facilitate the largest global investor network across 4 continents in 4 languages. With a team of analysts, journalists & professional investors Proactive produce independent coverage on 1000's of companies across every sector for private investors, private client brokers, fund managers and international investor communities.

Contact us +44 (0)207 989 0813 action@proactiveinvestors.com

No investment advice

The Company is a publisher. You understand and agree that no content published on the Site constitutes a recommendation that any particular security, portfolio of securities, transaction, or investment strategy is suitable or advisable for any specific person. You understand that the Content on the Site is provided for information purposes only, and none of the information contained on the Site constitutes an offer, solicitation or recommendation to buy or sell a security. You understand that the Company receives either monetary or securities compensation for our services. We stand to benefit from any volume which any Content on the Site may generate.

You further understand that none of the information providers or their affiliates will advise you personally concerning the nature, potential, advisability, value, suitability or profitability of any particular security, portfolio of securities, transaction, investment, investment strategy, or other matter.

You understand that the Site may contain opinions from time to time with regard to securities mentioned in other products, including Company-related products, and that those opinions may be different from those obtained by using another product related to the Company. You understand and agree that contributors may write about securities in which they or their firms have a position, and that they may trade such securities for their own account. In cases where the position is held at the time of publication and such position is known to the Company, appropriate disclosure is made. However, you understand and agree that at the time of any transaction that you make, one or more contributors may have a position in the securities written about. You understand that price and other data is supplied by sources believed to be reliable, that the calculations herein are made using such data, and that neither such data nor such calculations are guaranteed by these sources, the Company, the information providers or any other person or entity, and may not be complete or accurate.

From time to time, reference may be made in our marketing materials to prior articles and opinions we have published. These references may be selective, may reference only a portion of an article or recommendation, and are likely not to be current. As markets change continuously, previously published information and data may not be current and should not be relied upon.

The Site does not, and is not intended to, provide investment, tax, accounting, legal or insurance advice, and is not and should not be construed as providing any of the foregoing. You should consult an attorney or other relevant professional regarding your specific legal, tax, investment or other needs as tailored to your specific situation.