

Newsletter



June 2022

Healthcare in Focus



**Healthcare &
Pharmaceutical
stocks gear up to
battle stress and
deliver high
performance in the
second half of 2022**



Healthcare sector and the risk of recession

With the increasing risk of a global recession and the slowdown of economies across the world, investors grow more and more concerned about their portfolios.

Considering the last two years of battling Covid, healthcare and pharmaceutical industries have regained their importance and now attract investors with their **consistent cash flow and dependability in the long term**. Historically, it has also been shown to point towards the fact that pharmaceutical stock tend to deliver better performance than most other sectors in times of economic slowdowns.

Nevertheless, there are points of caution that need to be taken into consideration like the **supply chain backlog and high costs**. With limited and increasingly stressed finances, hospitals and medicine companies might find it harder to pass on these costs to the end-consumer.

On the market-front, pharma stocks have not been completely immune to the big sell-off in these past months, and are facing valuation struggles as well. Early-stage drugmakers are facing hardship as markets become unfavourable and funding diminishes. However, the rate of acquisitions for **late-stage biotech** firms have seen a **recent growth**, which is expected to **rise steadily** in the coming months, signifying a level of trust and confidence in the sector at large.

Finally, governments seems to be much more **active in policy-making** in regards to healthcare in the last few years and a risky policy does not seem to be very probable in the near-future.

Swarnim Prakash





Avicanna Inc. - The Technical Picture:

Stock was principally in a downtrend since its listing at July 2019 around 8 CAD. The low took place at 0,15 CAD about 2 weeks ago. The weekly chart shows 3 downtrend fan lines where the 3rd line - which is also reflecting the 2,5 year downtrend - seems to get broken to the upside very near term - maybe already by next week. Its not yet done but the probability is high as we have seen already 2 attempts and turnaround candle patterns in April and June this year. If it breaks the downtrend I expect a quick run to the 0,40/0,41 CAD level before you might get anther chance to collect some shares around the 0,30 CAD level. This would create an inverse head and shoulder formation on a weekly basis and most certainly confirm the turnaround in the stock.

Target Zone for 4-6 months would be the rectangle I painted in the chart coming from weekly support levels from the past. Further on the stock made a downside weekly gap early Jan 2022 which will be closed by that time too reaching the target zone. Now fasten your seatbelt - the target zone would mean an upside potential of 177 % from the current price level around 0,24 CAD.

I think the downtrend of Avicanna is coming to an end and the stock offers a tremendous investment case over the next 6-12 months, maybe years.

Michael Kott



The German question – Gas, or no Gas?

It is no longer a secret that the European economy, and especially the German economy, is heavily dependent on fossil fuels from Russia. The last few weeks have now shown how real the **threat of a cut in Russian gas** supplies really is for the German economy and what consequences this would have for many companies.

Because many **energy-intensive companies** (e.g., out of the automotive, chemicals, steel, and recycling sector) **rely on Russian** natural gas for their production. However, if there are delays in maintenance work on the Nord Stream 1 gas pipeline, as is currently the case, not only **economic players** but also **investors** and **shareholders** become nervous - particularly in view of the low level of filling of Germany's national natural gas reserves.

A look at the worst performers of the last two weeks shows that the European shares from precisely these sectors have **lost above-average value** and are now approaching their price level from the year 2020 in a **continuous downward trend**. Should there be a complete supply freeze of Russian natural gas (the danger is real), German reserves would allegedly last for just under three months - after that, both households and industry would have a serious problem. If this were to happen, it would give further fuel to the downward trend of shares from these sectors.

Long-term investors could well use the current prices to **buy up**, provided they are prepared to take a **sector-specific risk** in addition to the current high overall market risk. If, in retrospect, you realize that you had burned your fingers with an early entry, you may be consoled by the fact that many shares from the affected sectors often pay out a **high dividend** to their shareholders.

Markus Polz

Latest News from Liquidity Services



24 June '22

Avicanna Sells Stake in Majority-Owned Colombian Subsidiary Sativa Nativa

The company (TSX: AVCN | OTCQX: AVCNF | FSE: ONN), announced the sale of its stake in Sativa Nativa S.A.S. ("Sativa Nativa"), which was the Company's secondary majority owned Colombian subsidiary.

[Read the full press release](#)



16 June '22

Adamant publishes an increase in Q1 2022 revenue

The company (CSE: ADMT | OTC: UCCPF | FSE: U06) announced 318.511USD of revenue on its financial statements for the first quarter ended on March 31th 2022. All the audited statements can be access on the SEDAR website.

[Read the full press release](#)



22 June '22

G2 Energy Corp. Provides Oil and Gas Production Update on Masten Operations

The company (CSE: GTOO | OTCQB: GTGEF | FWB: 1NZ.F) provided an update on its wholly owned Masten Unit. For greater clarity, while the Masten Unit transaction was closed in the month of June 2022, all cash flow since the effective date of April 1, 2022 belongs to G2.

[Read the full press release](#)

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