



PAUL COHEN'S

Marijuana Hub

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HOW TO MAKE MONEY IN THE MARIJUANA STOCK MARKET

CANNABIS STOCK INDEX FROM THE 420 INVESTOR

The 420 Investor stated that their **Cannabis Stock Index** has declined by 66%. While the industry has grown, its stock market has been crushed. The article went on to say that since the market's highest point, its peak, this Index lost close to 97% of its value. This Index is somewhat of a valid representation of the cannabis stock market. The service's emails are helpful information. The question is, are their recommendations helpful and long term profitable? Statistics say that day trading any stock, let alone cannabis stocks in the Bear Market does not work. It doesn't matter if a service performs better than its Index if the Index losses massive amounts of money for its investors. Worse, the Cohen Grassroots Marijuana Index of 310 companies shows its performance is far worse than the 420 Investor's performance. Either Index states a market disaster.

Knowing that the 420 Index has been crushed, and the cannabis stock market has been a disaster, this trading service tries to make money for its investors in a massive Bear Market. The calculated performance of the trading service is based on a re-weighting/re-balancing of trades. Very few investors understand or care how this math works. What matters is whether they can make money trading and day trading cannabis penny stocks. They cannot.

The problem with trading in the penny stock market is that the spread and volume between bids and offers is so large, (at times more than 100%), getting an accurate execution of a limit order is very difficult. Worse, the real performance of a trading service is normally calculated at a given price assumption of the recommendation. However, that assumption often times does not conform to the reality of actually executing a given trade at the recommendation price, buy or sell.

Bottom line here is that day trading statistics assume that a stock can be bought or sold at a given price. It is poppycock. In the penny cannabis stock market, calculating performance based on assuming that a trade recommendation could be affected on a buy or sell recommendation can be false. Why would anyone want to try to trade in an illiquid Bear Market stock market? Since we cannot sell short cannabis stocks, how can any trading service make money for their clients recommending buys and then sells? It is difficult to at best. The Canadian cannabis stock market has performed well because on balance these stocks are real companies with liquidity in a country favorable legislation market in Canada.

Forget about trading in this market. Look for long term investments. They are out there. Be patient. Do your research.