

## Struthers Report V25 # 4.2 Economy, TGOD, TCAN, VBIV, AMX Mar., 26, 2019



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Know when to hold-em!  
Know when to fold-em!  
Know where to set stops!  
Know when to run!  
Never count your portfolio  
Until the sells are done..

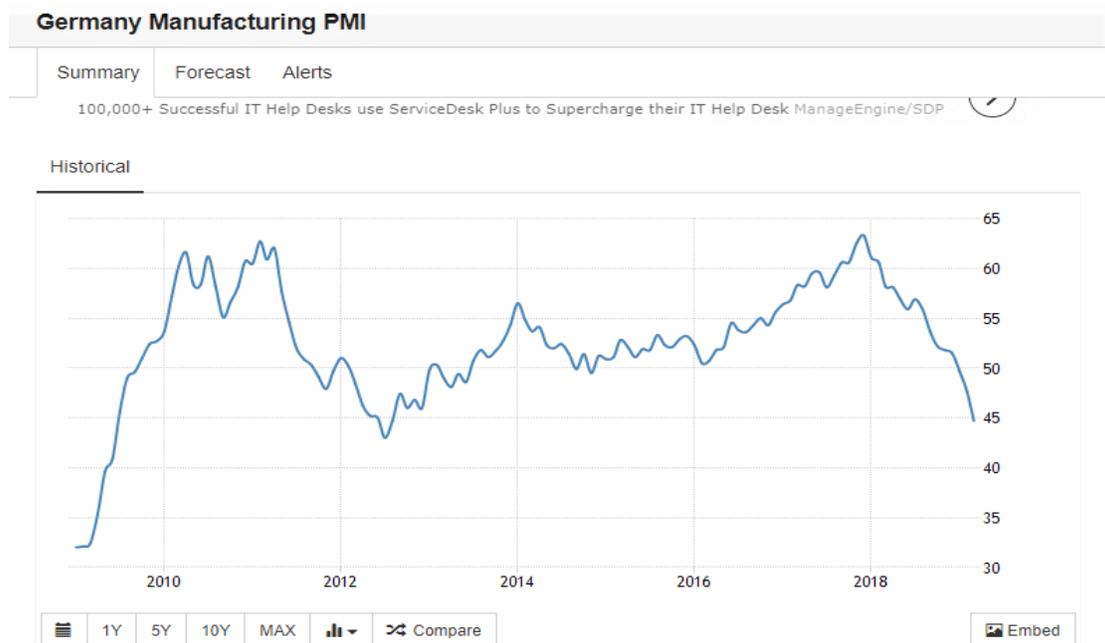
Canada's retail sales fell for 3rd month in a row.

Last week, U.S. treasury yield curve turned positive after inverting for the first time in more than a decade. "I think we have to be a little bit nervous obviously," declared the Fed's Charles Evans as worries over the economy continued to plague investors. This occurred after the Fed announced that there would be no more rate increases this year. The reason the Fed is putting a hold on rates all year is very simple. As I commented previously, change in monetary policy takes a year to see the full effect so the Fed is simply waiting to see the complete effect of their previous tightening. An inverted yield curve normally leads a recession by about 12 months,

OPEC's supply cuts and U.S. sanctions against Iran and Venezuela will push the oil market into under supply and boost the cost of crude in coming months, [Morgan Stanley forecasts](#). Higher oil prices are not good for the economy.

FedEx is a barometer of domestic and international shipment of goods and when they slow down it is because the economy is also. "Slowing international macroeconomic conditions and weaker global trade growth trends continue, as seen in the year-over-year decline in our FedEx Express international revenue," says [Alan B. Graf, Jr.](#), FedEx Corp. executive vice president and chief financial officer.

Europe's main economic engine, Germany is sputtering badly



**An inverted yield curve for a few days is not a solid sign of a recession and at this point, the only thing that is certain is a significant economic slowdown and a stock market that is in denial.**

This is also a good environment for gold and it has moved up above \$1300 again. Last at \$1315 on Comex with resistance between \$1330 and \$1350.

With market risk high and many of our stocks up in price, it is time for some profits.

**VBI Vaccines                      Nasdaq: VBIV                      Recent Price - \$1.86**  
**Entry Price \$6.00                      Opinion – sell at \$2.10 or higher**

VBI recently announced a corporate update, outlook for 2019, and announced its financial results for the fourth quarter and twelve months ended December 31, 2018. There is nothing wrong with the stock, but I want to make room on the Selection list for some new tech stocks that have more potential. I list the entry price as \$6.00, but we got the stock for free as a spin out from Levon. However at the time, I figured a valuation of \$6.00 back in 2014 for tracking purposes.

*“2018 was a foundational year, one that laid critical groundwork as we build towards the transformational milestones expected in 2019,”* said Jeff Baxter, President and CEO, VBI Vaccines Inc. *“Our achievements in 2018 – which included the launch of the collaboration with Bii Biosciences to develop a functional cure for Hepatitis B for up to \$129 million plus royalties, the closing of a \$42.9 million public offering led by Perceptive Advisors, the positive Phase 1 data readout from our cytomegalovirus (CMV) vaccine candidate, and encouraging early immunogenicity data from the Phase 1/2a of our glioblastoma (GBM) immunotherapeutic – set the stage for 2019. Heading into this year, VBI is well-positioned to achieve meaningful clinical milestones across all of our lead programs, most notably the top-line data readout from the PROTECT Phase 3 study of Sci-B-Vac® expected in four months’ time.”*

In 2017, the stock did hit \$6.30, dropped to \$1.20 in the recent correction so will take advantage of this rally and sell at \$2.10. It hit that level about a week ago and I expect it will bounce up again.

**The Green Organic Dutchman      TSX: TGOD      OTC: TGODF      Recent Price \$5.00**  
**Entry Price \$2.12                      Opinion – take part profits**

Yesterday TGOD announced that sales of certified-organic cannabis have started with national distribution to medical patients. The Growers’ Circle is a select group of patients across Canada now receiving TGOD’s first certified-organic flower. The Growers’ Circle launch is a limited production roll out of the Company’s premium product, allowing TGOD to perfect its distribution ahead of its production ramp-up and scaled roll out this year. *“The launch of the Growers’ Circle is another significant moment in TGOD’s commercial story,”* said Brian Athaide, Director and Chief Executive Officer. *“Our certified-organic cannabis is a premium experience for patients. We are proud of our product and excited to be sharing it with Growers’ Circle members.”*

We are up about 100% on the stock, plus shares in the spin out company that I will list when it starts to trade. The value of the spin out warrant equals about \$0.38 per share so I subtracted that from the cost of our TGOD position ( $2.5 - .38 = 2.12$ ). I will list the spin out company as a buy at 50 cents, the warrant exercise price.

Canadian shareholders received 0.15 unit warrant of TGOD Acquisition for every common share of Green Organic held. Each TGOD Acquisition unit warrant will entitle the holder to buy one unit of TGOD Acquisition at 50 cents per unit for 30 days following the completion of the plan of arrangement. The record date for the distribution was Jan. 31, 2019.

My last update was end of February to buy on a break out at \$4.20. If you dis so, you could just sell that position for a nice 3 week profit. There is some resistance around \$5.20 to \$5.50 and if the stock can break above \$5.50, a new high in this rally then there is room to go higher, hence worth holding some of your position. Selling half brings your cost base to less than zero.



**Transcana Holdings CSE:TCAN**  
**Entry Price \$0.92**

**Recent Price \$3.50**  
**Opinion = profits?**

I was going to suggest profits in TCAN, but it was halted before the open. I will wait for the news and send an update then.

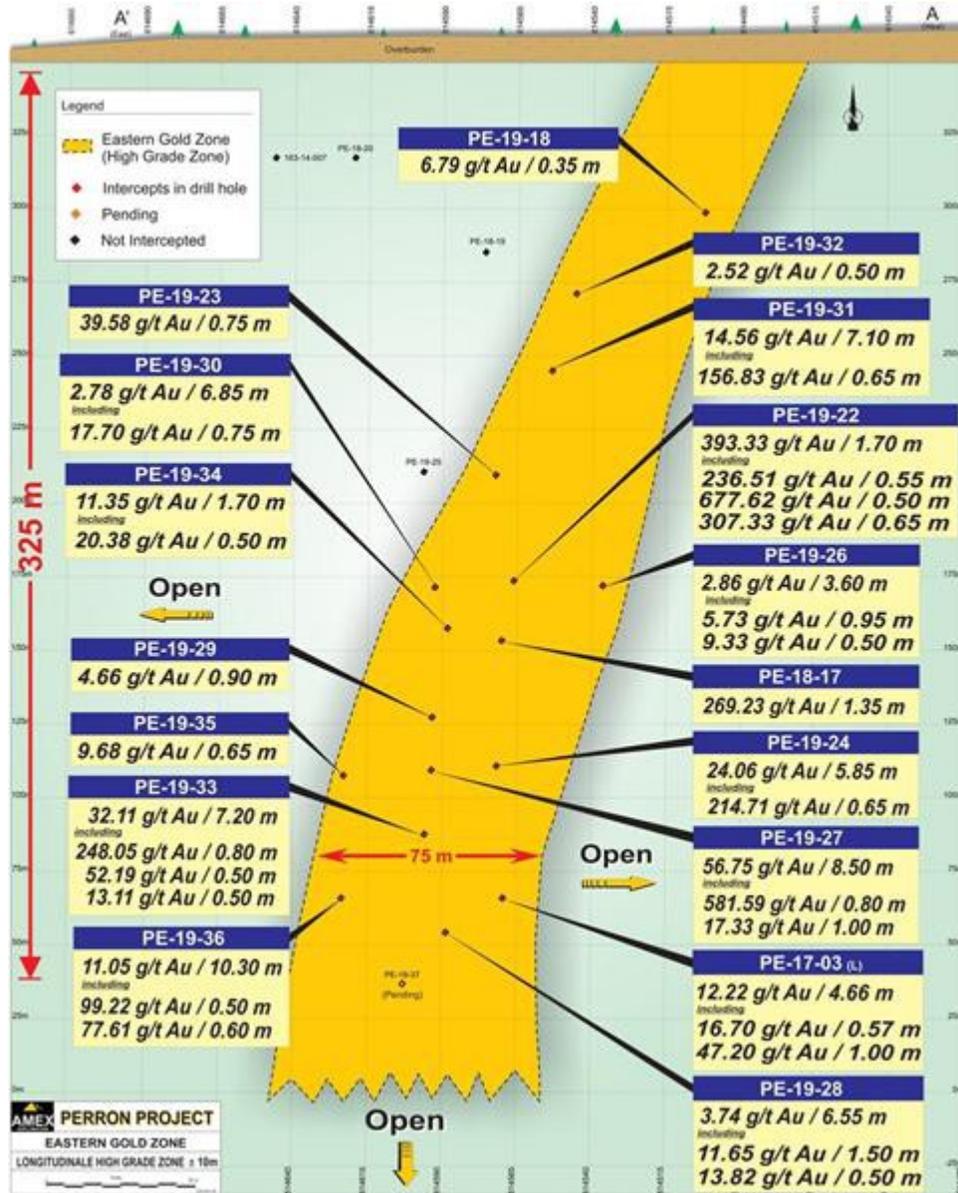
**Amex Exploration TSXV:AMX**  
**Entry Price \$1.20**

**Recent Price \$0.96**  
**Opinion – strong buy**

As with many new discoveries, the stock has been volatile and all over the map. I bought some at \$1.32 and at \$0.99 and is usually best to take advantage of any weakness and buy. Today AMX announced more high grade drill results. Drill hole PE-19-36 intersected 11.05 g/t Au over 10.3 m, including 99.2 g/t Au over 0.5 m, 18.3 g/t Au over 0.5 m, and 77.61 g/t Au over 0.6 m on the Company's furthest east 25 metre step-out hole testing the High Grade Zone ("HGZ"). The intersected mineralization, which is characteristic of the HGZ, consists of two gold-bearing quartz veins located on either side of a narrow weakly mineralized mafic intrusive crosscutting a large unit of silicified rhyolite.

In addition to these results, the Company wishes to report that it has identified **additional visible gold in recently completed drill holes for which assays are pending.**

With the high grade results from PE-19-36 and additional mineralization encountered in PE-19-35, the Company **has now confirmed an additional 25 metres of strike of the HGZ mineralized system.** The zone has now been intersected over a vertical distance of 300 metres with a lateral distance of over 50 metres pierce point to pierce point with a spacing varying from 25 to 50 metres. The High Grade Zone remains open along strike, towards surface and to depth.



Typically these systems can have higher grade at depth so I am anxious to see some of the deeper results.

The stock did not react much with today's news, perhaps because the grades were not as high as some previous hits but still high grade by normal standards. This is going to be a substantial discovery and the next set of results could be much higher. As usual, the company is reporting visible gold in these holes yet to be released.

There is support just above 80 cents and I see the stock as a good buy down below \$1.00



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