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Morning Need to Know by Capital Ideas Research

Getting you ready for your investing day

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CANADIAN ANALYSTS' CALLS

INITIATIONS

Pembina Pipeline (TSX:PPL) Edward Jones starts coverage with a "buy" rating.

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Alimentation Couche-Tard (TSX:ATD.B) RBC boosts the price target to \$80 (Canadian) from \$78, which gives the shares a projected potential return of 32%, and maintains an "outperform" after the company beat earnings estimates.

First Quantum (TSX:FM) upgraded to "buy" at Deutsche Bank with a target of \$23.

Husky Energy (TSX:HSE) upgraded to "overweight" at Barclays.

Vermillion (TSX:VET) raised to "outperform" at Credit Suisse with a target off \$65.

TMAC Resources (TSX:TMAC) upgraded to "buy" at Desjardins with a target of \$11.

Canadian Natural Resources (TSX:CNQ) Barclays is lifting the target to \$59 from \$55 to reflect the company's assets and strong free cash flow.



INITIATIONS

Natural Grocers by Vitamin Cottage (NYSE:NGVC). This mouthful of a company is getting its target lifted by RBC to \$16 (U.S.) from \$11, implying 21% upside, and the analyst maintains an "outperform" rating.

Netflix (NASDAQ:NFLX) Stifel Nicolaus boosts the target to \$406 from \$345.

Anadarko Petroleum (NYSE:APC) JP Morgan raises target price to \$80 from \$75 on a belief the company has repositioned itself as a more durable investment opportunity that can provide double digit oil growth.

Chevron (NYSE:CVX) Barclays raises target price to \$148 from \$145 reflecting the company's strong and improving free cash flow yield, solid debt-adjusted production growth and improving return on capital employed.

Motorola Solutions (NYSE:MSI) Cowen & Company raises target price to \$138 from \$111, expecting improvement in the company's revenue growth and margin outlook driven by acquisition of **Avigilon** (remember them) and by greater growth in software and services revenue.

Pepsico (NYSE:PEP) Morgan Stanley raises target price to \$127 from \$123, after the company reported better-than-expected second-quarter results.

TripAdvisor (NYSE:TRIP) Barclays raises rating to "overweight" on a belief the company's fundamentals are starting to turn around now and there is a compelling path for the company to grow earnings and revenue at a healthy growth rate.

STOCKS THAT MAY MOVE

Hiku Brands (CSE:HIKU) The consolidation game resumes in the cannabis sector as **Canopy Growth (TSX:WEED)** looks for a retail presence by buying this owner of Tokyo Smoke retail shops. The deal is estimated to be worth about \$350 million in stock. Hiku had been planning to buy WeedMD but that deal has now been terminated with WeedMD getting a \$10 million termination fee.

Savaria (TSX:SIS) is buying Garaventa Lift for \$98 million. Garaventa manufactures a wide variety of wheelchair lifts for persons with disabilities. Savaria has been a big winner since Peter Hodson of 5i Research recommended it in our Digest nearly two years ago, with the the stock more than doubling before a pullback.

Artis REIT (TSX:AX.UN) has sold or has a contract to sell four office properties in B.C., Alberta and Manitoba for more than \$186 million, with the REIT seeing a net gain of more than \$12 million.

Canadian National Railway (TSX:CNR) is going to spend \$350 million to upgrade its Ontario operations.

Pacific Rim Cobalt (CSE:BOLT) has signed a preliminary offtake deal with Beijing Easpring.

MTY Food (TSX:MTY) beat analyst estimates with its quarterly revenue.

Eldorado Gold (TSX:ELD) has appointed Philip Yee as executive vice-president and CFO.

Restaurant Brands (TSX:QSR) has signed a joint venture deal with a company out of China to open as many as 1,500 stores in that country over the next 10 years.

21st Century Fox (NASDAQ:FOXA) has increased its offer for Sky of the U.K. to \$32.5 billion, topping a previous offer from Comcast. This is part of a larger battle between Comcast and Disney, which are both trying to buy most of Fox, including Sky, for about \$70 billion.

Pfizer (NYSE:PFE) is planning to restructure into three separate business units.

With files from The Globe and Mail, Reuters and Bloomberg News.

MARKETS

TSX and U.S. equity futures are poised for a sharply lower open as the White House is now threatening 10% tariffs on a further \$200 billion worth of Chinese goods, to which China, naturally, is planning to retaliate.

The **TSX Composite Index** on Tuesday again closed at a record high.

European stock indices are down and, overnight in Asia, the **Shanghai Composite Index** fell 1.8%, Hong Kong's **Hang Seng** ended off 1.3%, while the **Nikkei** was down 1.2%.

The **Bank of Canada** is expected to raise its key interest rate today to 1.5%. After the announcement, Governor Stephen Poloz will hold a news conference and enjoy the sound of his own voice.

U.S. wholesale prices in June rose 3.4% on an annual basis, the fastest pace since 2011.

CURRENCIES

The **Canadian dollar** is drifting lower at \$76.14 U.S.

Bitcoin is up 1.2% to \$6,377, according to CoinDesk.

COMMODITIES WHAT WE'RE READING

West Texas Intermediate is down 1% amid the renewed trade tensions hitting \$73.31 a barrel.

Copper is lower by about 3% to a one-year low.

Gold is pulling back a bit to \$1,253.30 an ounce.

WHAT WE'RE READING

Behind the [debt binge](#) that threatens markets. Excellent article with great charts by Bloomberg News.

Daily Update



See our [newest CEO interview](#) with the co-head of **Planet 13 (CSE:PLTH)**, which is building a huge cannabis entertainment complex in Las Vegas, with plans to expand the concept across the U.S.

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