



INVEST LIKE A PRO, WITH THE PROS!



Good morning!



Yup, that's me with *Gene Simmons*, the rock legend, entrepreneur, investor and businessman. This guy is worth an estimated \$300 million. Do you want to know how he did it, and why he's got a \$10 million stake in *Invictus MD Strategies (GENE-V)*? Watch this space.

Also, watch your inbox because later today we'll be posting our **Best of PDAC** episode, featuring **three gold explorers** with fascinating possibilities, two of which own past producing mines.

See the *Daily Update* at the end of this note for more details on the new *Capital Ideas Digest* and the latest episode of *Capital Ideas TV*.

Morning Need to Know by Capital Ideas Research

Getting you ready for your investing day

March 22, 2018

Written & compiled by Mark Bunting, Publisher, Capital Ideas Media

MARKETS

TSX equity futures and U.S. futures are sharply lower as investors

absorb what was perceived to be a slightly more hawkish Fed on interest rates hikes next year, and they anticipate billions in tariffs on Chinese goods under a new White House plan.

CURRENCIES

The Canadian dollar is basically flat at \$0.7757 U.S.

Bitcoin is lower by 2% to \$8,707, according to CoinDesk, as Japan cracks down on cryptocurrency exchange Binance.

COMMODITIES

West Texas Intermediate is down by 0.7% at \$64.70 a barrel.

Gold is up 0.8% at \$1,331.90.

STOCKS THAT MAY MOVE

Cronos Group (CRON-V; CRON-O) is raising \$100 million (Canadian) in a bought deal financing through a syndicate of underwriters, which is buying 10.4 million common shares at a price of \$9.60 each. Watch our recent interview with Cronos' CEO [Michael Gorenstein](#), who talks about the company's plans to be a dominating international cannabis player.

American Hotel Income Properties REIT (HOT.UN-T) This recent Digest cover story says it has refinanced its railway portfolio term loan of about \$19 million (U.S.) and arranged a \$4 million mortgage for two of its recently acquired hotel properties. AHIP has also increased its secured revolving line of credit to \$13.5 million, in part for acquisitions.

AutoCanada (ACQ-T) has struck a deal to expand into the United States for the first time with the acquisition of the Grossinger Auto Group for \$110 million (Canadian). The transaction includes 14 dealerships in Illinois.

Eldorado Gold (ELD-T) is down nearly 8% in premarket U.S. trading

after the company's earnings results disappointed. Eldorado also suspended its dividend from the current quarter to conserve cash.

BlackBerry Ltd (BB-T; BBRY-O) The company and Tata Motors' Jaguar Land Rover said they reached a licensing agreement to use Blackberry's software in the luxury car brand's vehicles following similar agreements with Qualcomm, Baidu and Aptiv.

Cenovus Energy Inc (CVE-T) The company said it was running oil sands production below capacity and stockpiling excess oil due to trouble with exporting through maxed-out pipelines to the United States.

Tecsys Inc. (TCS-T) says CFO Brian Cosgrove will resign to pursue other career opportunities at a private-equity backed company.

Lucara Diamond Corp. (LUC-T) has appointed Zara Boldt as its new chief financial officer and corporate secretary.

Facebook Inc (FB-O) Chief Executive Mark Zuckerberg apologized for mistakes his company made in how it handled data belonging to 50 million of its users and promised tougher steps to restrict developers' access to such information in the wake of the scandal involving Facebook and the British election consulting firm Cambridge Analytica. (See Analysts' Calls)

Tesla Inc (TSLA-O) Shareholders of the electric car company approved a compensation package potentially worth \$2.6 billion (U.S.) for Chief Executive Officer Elon Musk, who could own as much as \$55.8 billion in Tesla stock, and more than a quarter of the electric car company in the next decade if he hits all targets of the new plan.

Wynn Resorts Ltd (WYNN-O) Former CEO Steve Wynn has sold some shares in the company, lowering his stake in the casino operator to about 7.8% from 11.78%, after he resigned as CEO last month, following claims he subjected women who worked for him to unwanted advances. He has denied the accusations.

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



CANADIAN ANALYSTS' CALLS

This is an overview of some of today's analyst research. We'll have more details on many of these reports in the next *Capital Ideas Digest* and on *Capital Ideas TV*.

INITIATIONS

Redishred Capital (KUT-V) Acumen Capital starts coverage with a "buy" and price target of \$0.80 (Canadian).

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Boyd Group Income Fund (BYD.UN-T) CIBC raises the price target to \$122 from \$105, maintains "outperformer" rating. The stock closed Wednesday at \$106.48. GMP lifts target to \$129 from \$117 and maintains a "buy". Raymond James boosts the target to \$125 from \$110, maintains "outperform".

BRP Inc. (DOO-T) CIBC boosts target to \$56 from \$54, maintains "outperformer". The stock closed yesterday at \$49.88. GMP lifts target to \$56 from \$53, reiterates "buy".

Birchcliff Energy (BIR-T) TD Securities upgrades to "action buy list". Target goes to \$6 from \$6.50.

PrairieSky Royalty (PSK-T) TD upgrades to "buy" and the target drops a loonie to \$32 from \$33.

LXRandCo Inc (LXR-T) Canaccord Genuity cuts target price to \$9 from \$12 citing competitive sourcing pressures in Japan and weaker-

than-expected quarterly results.

Magna International (MG-T; MGA-N) Downgraded to "underweight" at Morgan Stanley with a target of \$52 (U.S.).

Suncor Energy (SU-T) Upgraded to "outperform" at Alta Corp with a price target of \$52 (Canadian).

Toronto-Dominion Bank (TD-T) Reinstated at Macquarie with "outperform".

TransCanada (TRP-T) Downgraded to "market perform" at Wells Fargo with a target of \$62.



U.S. ANALYSTS' CALLS

Facebook (FB-O) Stifel Nicolaus cuts the target to \$168 (U.S.) from \$195 amid the company's data breach scandal.

General Mills Inc (GIS-N) Deutsche Bank cuts target price to \$49 from \$55 after the company lowered its segment operating profit guidance. RBC cuts target to \$52 from \$60 and keeps its "sector perform" rating.

QAD Inc. (QADA-O) Canaccord Genuity raises price target to \$50 from \$44 after the company posted results largely in line with pre-announced results from last month.

Ralph Lauren (RL-N) Cowen and Company raises rating to "outperform" from market perform, target goes to \$122 from \$110, citing key initiatives including elevating the brand, and digital and international growth.

TripAdvisor (TRIP-O) JP Morgan raises target price to \$40 from \$38 saying that performance marketing within travel in general is

expected to remain under pressure from large advertisers.

Trivago (TRVG-O) JP Morgan cuts rating to "underweight" from neutral saying that hotel meta search will remain challenged for the company. Just please destroy the ad where the guy 'dances' and all will be forgiven.

Daily Update

Our current [Capital Ideas Digest](#) features research and a cover story on a company with a **unique mix of growth and cash flow, plus a dividend yield of more than 6%.**

We've also curated some analyst research on an energy company undergoing a strategic review that could have **more than 60% upside**, and a **pharma company with a runway to gain nearly 80%.**

In the new episode of [Capital Ideas TV](#), available later today, we interview CEOs and a director of **three intriguing gold exploration companies**, two with assets in B.C. and the other owns a mine that once was the second-most prolific in the United States.

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[Capital Ideas TV](#) – *Thursdays on YouTube at 7 pm ET, 4 pm PT.*
Sundays on BNN at 9 pm ET, 6 pm PT.

[Capital Ideas Digest](#) – *Tuesday's at 7 pm ET, 4 pm PT.*

Access, insight and ideas!

Have a great day!



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