



INVEST LIKE A PRO, WITH THE PROS!



Good morning!

We're always trying to find you winners. Here are four of them since the companies' CEOs appeared on [Capital ideas TV](#).

CAPITAL IDEAS TV ALL-STAR PERFORMERS

STOCK GAINS SINCE APPEARANCE

- Drone Delivery Canada (TSXV:FLT) +352%
- Village Farms International (TSX:VFF) +257%
- Aphria (TSX:APH) +170%
- Canada Jetlines (TSXV:JET) +163%

Not bad, eh? Our *All-Star Performers Special Edition* episode looks at seven winners overall, speaks to the leaders of six of them, and gets updates on the prospects for their various businesses, including a sit down with **Namaste Technologies (CSE:N)** CEO *Sean Dollinger* at the company's new CannMart distribution centre.

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

April 6, 2018

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MARKETS

TSX equity futures and U.S. futures are lower after U.S. President Donald Trump raised the stakes in an escalating trade feud with China

by saying he's considering \$100 billion more in tariffs on Chinese goods.

Investors are also mulling employment data which saw Canada add 32,300 mostly full-time positions in March, ahead of estimates, with the unemployment rate holding steady at 5.8%.

The U.S. created 103,00 jobs in the month, far fewer than the 183,00 expected. The jobless rate stayed at 4.1%.

CURRENCIES

The Canadian dollar is only slightly higher at \$0.7747 U.S. after the employment news.

Bitcoin is lower by 2.6% at \$6,594, according to CoinDesk.

COMMODITIES

West Texas Intermediate is down 0.5% at \$63.25 a barrel.

Gold is flat at \$1,329.80.

STOCKS THAT MAY MOVE

Nemaska Lithium (TSX:NMX) When we interviewed CEO Guy Bourassa a few months ago he told us the company was looking to raise more than \$500 million to finance its lithium project in Quebec, and that the company was talking to a wide range of possible partners.

Nemaska has announced that SoftBank Group of Japan will buy up to 9.9% stake in the company and invest up to \$99.1 million through a private placement of subscription receipts at \$1.12 (Canadian) a share, slightly below Thursday's close of \$1.17.

The investment is SoftBank's first in the lithium industry. The company will have the right to nominate a member

to Nemaska's board and will also have the option to buy up to 20% of the miner's lithium output over the long term.

Watch our conversation with Nemaska's CEO [here](#).

Pure Multi-Family REIT (TSX:RUF.UN) News on the REIT front. Pure says it's exploring the potential sale of the REIT and is rejecting a takeover offer from Electra America saying it undervalues Pure's assets.

Granite REIT (TSX:GRT.UN; NYSE:GRP.UN) is buying two U.S. properties for \$74.1 million (U.S.).

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

Trevali Mining (TSX:TV) CIBC starts coverage with an "ouperformer" rating on this zinc player with a price target of \$1.90 (Canadian). The stock closed Thursday at \$1.29.

Arizona Mining (TSX:AZ) CIBC begins coverage with an "outperformer" on this copper company with a target of \$5.20. The stock closed yesterday at \$4.07.

TFI International (TSX:TFII) Rated new "buy" at Stifel with a target of \$42.

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Canopy Growth (TSX:WEED) Beacon Securities upgrades to "buy" and boosts the target to \$37 from \$24.50, implying 30% gains, after touring the companies B.C. facilities, saying that analysts' consensus earnings estimates for 2020 are too low.

Valeant Pharmaceuticals ((TSX:VRX; NYSE:VRX) Mizuho Securities upgrades to "neutral" and raises the target to \$15 (U.S.) from \$10 saying the company no longer possesses “*near-term sell catalysts.*”

Cenovus Energy (TSX:CVE; NYSE:CVE) Eight Capital raises to “buy” with a \$15 (Canadian) target. The company has appointed a new CFO who comes over from Husky Energy.

Baytex (TSX:BTE) Raised to "buy" at Eight Capital with a target of \$42.

Grande West Transportation (TSXV:BUS) Beacon Securities new target for the bus maker of \$2.25 gives the shares 60% upside but it's down from the previous target of \$4.60. The analyst is reducing his revenue and earnings estimates after the company missed expectations in its quarter, in large part due to delays from a third-party IT supplier.

Americas Silver (TSX:USA) GMP maintains "buy" and target of \$9.30, implying 121% upside, following some drilling results.



U.S. ANALYSTS' CALLS

INITIATIONS

Cactus, Inc. (NYSE:WHD) RBC starts coverage with an

"outperform" rating and a price target of \$32 (U.S.), which gives the shares 18% upside, saying the company is *"ideal for small cap cyclical growth fund managers looking for direct exposure to the consumable oilfield equipment market and tangential exposure to land drilling and frac."*

Carmax (NYSE:KMX) Credit Suisse cuts price target to \$76 from \$78, following the company's disappointing fourth-quarter results and a pullback in the company's stocks.

Northrop Grumman (NYSE:NOC) RBC raises target price to \$419 from \$400, believing that Aerospace Systems is expected to drive most of the first quarter revenue growth from the ramp-up in F-35 and B-21 sales.

Urogen Pharma (NASDAQ:URGN) Oppenheimer raises price target to \$75 from \$62, based on impressive interim results of the company's product MitoGel in its OLYMPUS study in upper tract urothelial carcinoma.

Daily Update

Weekend reading!

If you haven't done it yet, spend some time with the latest issue of the [Capital Ideas Digest](#) in which we pull the highlights from an RBC report on newly public **Spotify Technology (NYSE:SPOT)**. It's an easy read with great charts that shows the company's improving financial metrics, global dominance in music streaming, and why the stock could gain nearly 50%.

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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 weekend!



Mark Bunting | *Publisher*
Capital Ideas Media



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