



INVEST LIKE A PRO, WITH THE PROS!



Good morning!

Don't miss the new [Capital Ideas Digest](#), which gives you the highlights of 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 and global dominance in music streaming, and why the stock could gain nearly 50%.

And watch out for the new [Capital Ideas TV](#) tomorrow, which unveils our *All-Star Performers*, most of which have triple digit gains, including one that has surged more than 350% since we first sat down with the CEO.

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 4, 2018

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MARKETS

TSX equity futures and **U.S. futures** are both sharply lower after China announced 25% retaliatory tariffs on \$50 billion worth of U.S. goods.

Asian markets finished mostly lower, although Japan's Nikkei closed higher before the China news was released, and the major indices in **Europe** are down.

CURRENCIES

The Canadian dollar is down 19 basis points to \$0.7789 U.S.

Bitcoin is lower by 5% at \$7,043, according to CoinDesk.

COMMODITIES

West Texas Intermediate is down 1.6% at \$62.52 a barrel.

Gold is higher by 1% at \$1,351.20.

STOCKS THAT MAY MOVE

CryptoGlobal (TSXV:CPTO) is being bought by HyperBlock Technologies for \$106 million (Canadian). The deal values CryptoGlobal at 74 cents a share, nearly a 50% premium to Tuesday's closing price.

Blackberry (NASDAQ:BBRY; TSX:BB) has filed a patent infringement case against Snap Inc., the parent company of **Snap (NYSE:SNAP)**.

Saputo (TSX:SAP) has won Australian regulatory approval for its \$1 billion takeover of Murray Goulburn, the country's largest dairy processor.

High Liner Foods (TSX:HLF) has appointed Rod Hepponstall as its president and CEO. Mr. Hepponstall most recently was senior vice president, general manager retail and foodservice business units at Lamb-Weston.

AltaGas (TSX:ALA) has announced it's signed a 15 year service agreement with **Birchcliff Energy (TSX:BIR)**.

Pure Multi-Family REIT (TSX:RUF.UN) says Electra America "marginally increased its cash price to \$7.59 (U.S.) per unit", which "remains inadequate."

CanniMed (TSX:CMED), which is being bought by **Aurora Cannabis (TSX:ACB)**, has signed a letter of intent to become the preferred supplier of medical cannabis to Pharmasave.

CBS (NYSE:CBS) has gone ahead with an expected below market value offer for **Viacom (NASDAQ:VIAB)** worth \$12.5 billion (U.S.).

WPP (NYSE:WPP) The world's biggest advertising company is investigating an allegation of personal misconduct against long-time CEO Sir Martin Sorrell who has denied wrongdoing,

according to Reuters. Mr. Sorrell said the allegation concerned financial impropriety and specifically the use of company funds. “I reject the allegation unreservedly but recognize that the company has to investigate it,” he said. WPP said the allegation did not involve amounts which were material to the company.

Amazon.com (NASDAQ:AMZN) may make a rival offer to buy Indian e-commerce firm Flipkart, which is in talks with **Walmart (NYSE:WMT)**, according to local media, while a Reuters story says that the probability of a deal with Amazon was low, and that any such transaction could spark monopoly concerns as Flipkart and Amazon dominate India’s e-commerce market.

Alcoa Corp (NYSE:AA) has signed contracts to transfer Canadian pension obligations and assets worth \$555 million to three insurers, in a move to strengthen its balance sheet. Alcoa expects to incur a non-cash settlement charge of about \$175 million in the second quarter of 2018, due to these annuity transactions.

Boeing Co (NYSE:BA) Jet Airways has entered into an agreement to buy 75 Boeing 737 MAX narrowbody jets, worth \$8.8 billion. The jets would be worth \$8.8 billion at list prices, though airlines typically receive significant discounts from manufacturers.

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*.

NanoXplore (TSXV:GRA) GMP resumes coverage with a "speculative buy" rating and a price target of \$2.50 (Canadian) after the company raised \$10 million in a private placement. The stock closed Tuesday at \$1.94. GMP has done investment banking business with GRA in the last 12 months.

Step Energy Services (TSX:STEP) CIBC maintains its "top pick" rating and raises the price target to \$24 from \$22. The analyst also lifts the EPS estimates after the company bought a private company in the U.S. STEP closed Tuesday at \$9.69.

Teranga Gold (TSX:TGZ) RBC raises the target to \$6.50 from \$4.50, implying 40% upside, and maintains "outperform" after the company issued drilling results

Superior Gold (TSXV:SGI) GMP raises the target to \$2.65 from \$2.25 and maintains "buy" after the company issued a reserve update. The stock closed yesterday at \$1.41.



U.S. ANALYSTS' CALLS

INITIATIONS

TerraForm Power (NASDAQ:TERP) RBC starts coverage with an "outperform" rating and a price target of \$13 (U.S.), which implies 30% gains for the stock.

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Tesla (NASDAQ:TSLA) RBC cuts target price to \$300 from \$380 after company's update on production and deliveries.

Aptiv (NYSE:APTIV) Berenberg raises price target to \$100 from \$90, saying that following the Powertrain spin-off, the company is now unique in the supplier industry for its exposure to electrical and electronic components.

Chubb (NYSE:CB) KBW cuts target price to \$165 from \$170, after the company disclosed first-quarter pretax loss estimate of \$380 million, versus their previously modeled \$168 million.

Endo International (NASDAQ:ENDP) Mizuho cuts target price to \$7 from \$12, based on the company's lower revenues, delayed pipeline contribution, lack of 2018 catalysts, and persistent opioid litigation overhang.

Facebook (NASDAQ:FB) Morgan Stanley cuts price target to \$200 from \$230, citing the company's recent data privacy issues and over growing investor concerns after the company's announcement that it will end partnerships with third party data providers. CEO Mark Zuckerberg is now expected to testify next week on Capitol Hill concerning the company's data breach.

Daily Update

Our *All-Star Performers* show will feature interviews with the CEOs of our best performing ideas since we started [Capital Ideas TV](#) in June of last year.

We're also on location with **Namaste Technologies (CSE:N)** CEO *Sean Dollinger* at the company's CannMart facility, where he explains the importance of the internationally diversified firm's new cannabis sales license.

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Join more than 75,000 people who watch [Capital Ideas TV](#) every week on YouTube, BNN, through our partners at SmallCapPower, and on social media. Get access to innovative, growth company investment ideas.

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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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