



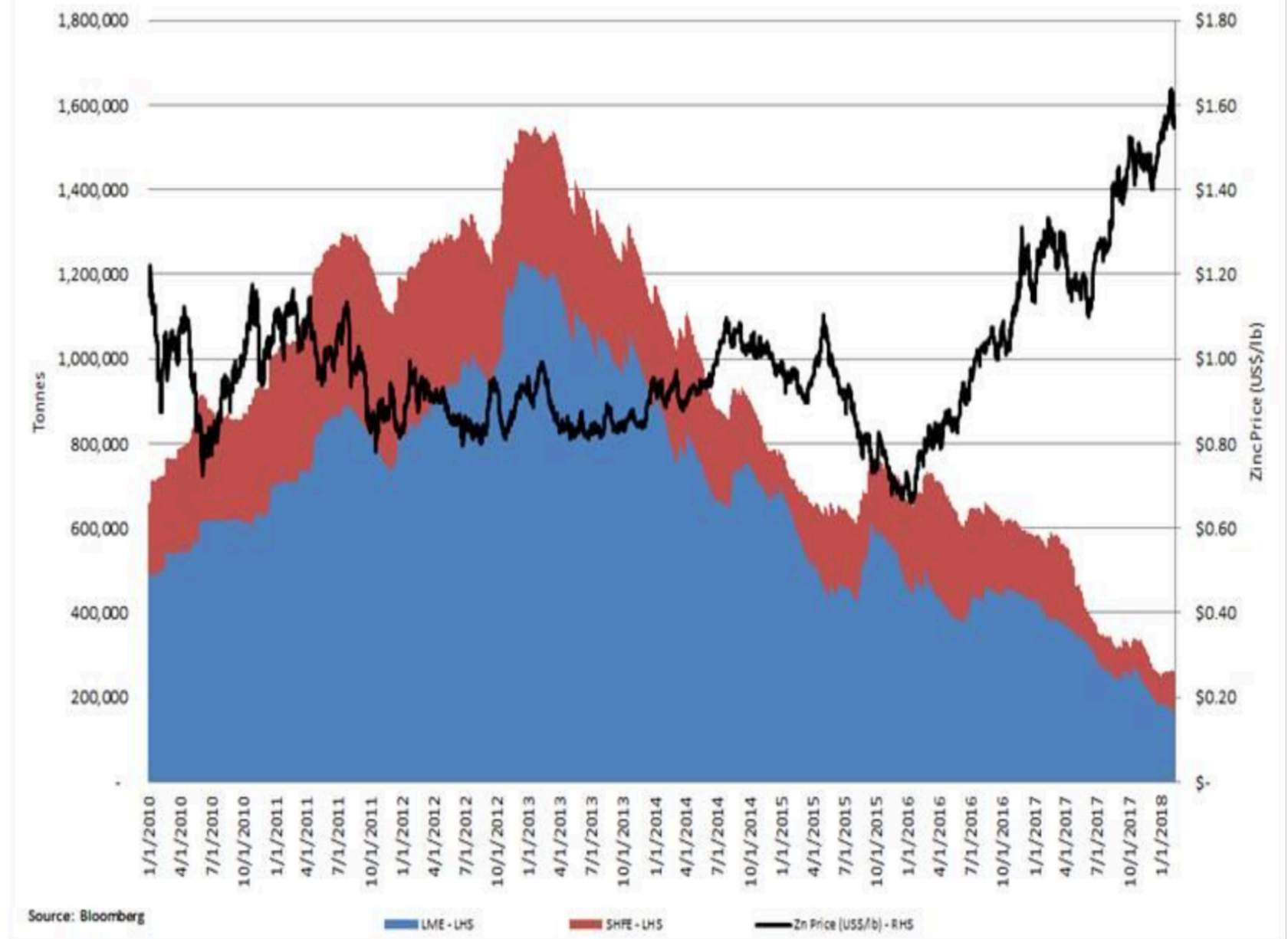
INVEST LIKE A PRO, WITH THE PROS!



Good morning!

Neil Young said rust never sleeps...

Zinc Price vs. Inventory (2010 - current)



...zinc is used to prevent rust. Zinc is in short supply more than any other base metal, and zinc prices have soared. Can you make money from all of that information? Yes!

Get research hi-lights in the new [Capital Ideas Digest](#) on two high quality mining stocks with broad exposure to zinc that could rise as much as 50%.

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 11, 2018

MARKETS

TSX equity futures and **U.S. futures** are decidedly lower as the U.S. and Russia rattle sabers over Syria.

The major **European stock indices** are down.

In Asia, Japan's **Nikkei** snapped a two-day winning streak to close down 0.5%. Hong Kong's **Hang Seng** ended up 0.5% and the **Shanghai Composite Index** rose 0.6%.

CURRENCIES

The **Canadian dollar** is modestly lower at \$0.7926 U.S.

Bitcoin is higher by 1.2% at \$6,912, according to CoinDesk.

COMMODITIES

West Texas Intermediate is up by 0.6% to \$65.93 a barrel after the American Petroleum Institute said U.S. crude stocks rose by 1.8 million barrels last week. A small decline had been expected. The U.S. government's weekly inventory report will be released today at 10:30 am ET.

Gold is higher by 0.8% to \$1,356.30.

STOCKS THAT MAY MOVE

The Hydrothecary (TSXV:THCX) The Quebec-based company has struck a deal with the Société des alcools du Québec (SAQ) to be the preferred supplier of cannabis products for the Quebec market for the first five years post-legalization, with an option to extend the agreement for another year. Beacon Securities points out THCX is the only company with a five-year arrangement with SAQ.

Other suppliers such as Canopy Growth landed three-year deals.

Seabridge Gold (TSX:SEA;NYSE:SA) is raising \$17.2 million (Canadian) through one million flow-through common shares for \$17.16 each to help finance its 2018 exploration program at its KSM project in B.C.

Calian Group (TSX:CGY) has won new IT and cybersecurity service agreements worth about \$11 million with Shared Services Canada, Canada Revenue Agency and Public Services and Procurement Canada.

SIR Royalty Income Fund (TSX: SRV.UN) This income fund's private parent owns 61 restaurants including Jack Astor's. It's raising its monthly cash distributions by 5.3% to 10 cents, effective this month.

Bank of Nova Scotia (TSX:BNS) The bank's plan to sell its Malaysian unit for \$225 million has fallen through as Taiwan's Cathay Financial Holding said two of its group firms could not close before the deadline of April 30.

Kinder Morgan Canada (TSX:KML) Alberta doubled down on its pledge to financially support a troubled pipeline expansion, saying the province could buy the Trans Mountain pipeline project outright from the company as Canada's federal government reiterated it was "100 percent" behind the build, Reuters reported.

Alexion Pharmaceuticals (NASDAQ:ALXN) has agreed to buy Sweden's **Wilson Therapeutics** for \$1.1 billion (U.S.), boosting its line-up of rare disease drugs as a wave of deal-making in the biotechnology sector continues.

Analogic Corp (NASDAQ:ALOG) has agreed to be bought by private equity firm **Altaris Capital Partners** for about \$1.1 billion in cash. The deal represents a 25% premium to the closing price on June 7, 2017, the day after Analogic put itself up for sale.

Sprint (NYSE:S) and **T-Mobile US (NASDAQ:TMUS)** have re-started talks about a possible merger, Reuters reported.

Fiat Chrysler Automobiles (NYSE:FCAU) is in advanced settlement talks with the U.S. Justice Department and California Air Resources Board over accusations that the company illegally used software that led to excess emissions in 104,000 U.S. diesel vehicles sold since 2014, according to Reuters.

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



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*.

Exco Technologies (TSX:XTC) GMP upgrades to a "buy" and moves the price target to \$12.50 (Canadian) from \$11. The stock closed Tuesday at \$9.20. GMP says it sees "*signs of a business turnaround settling in*".

Transat A.T. (TSX:TRZ) TD Securities upgrades to "buy" with a target of \$14.50.

Premium Brands (TSX:PBH) RBC raises the price target to \$133 from \$119, giving the shares the potential for gains of 17% over the next 12 months, and maintains "outperform". CIBC boosts the target to \$128 from \$118 and reiterates "outperformer" calling PBH "*one of our favourite consumer staples names*". (CIBC has conducted investment banking business with PBH within the last 12 months.)



U.S. ANALYSTS' CALLS

Tesla (NASDAQ:TSLA) Goldman Sachs reiterated its "sell" rating and cut its target to \$195 (U.S.) from \$205. Tesla CEO Elon Musk tweeted, "Place your bets..."

Citigroup (NYSE:C) HSBC upgrades to "buy" with an \$85 target, rising from \$82.

eBay Inc. (NASDAQ:EBAY) KeyBanc upgrades to "overweight" with a \$50 target.

Autodesk (NASDAQ:ADSK) Baird raises target price to \$155 from \$145, reflecting near-term upside driven by strong model transition execution and average revenue per subscriber strength.

Lumentum Holdings (NASDAQ:LITE) Morgan Stanley raises price target to \$66 from \$60, to reflect the pending Oclaro deal.

Mattel Inc (NYSE:MAT) Jefferies raises rating to "hold" from underperform, saying that the near-term risks are largely known and priced in.

Nabors Industries (NYSE:NBR) Morgan Stanley raises price target to \$9 from \$8.50, based on upward revision potential in its Lower 48 drilling operations.

Daily Update

The new *Digest* also has new research on an energy company with "long-term sustainable growth" and nearly 70% upside...

...and a gold company with an experienced management team that has sold previous companies for billions. The stock could gain 33%.

If you like triple digits gains with the chance for more, watch the latest episode of [Capital Ideas TV](#) which updates the stories of some of our best-performing investment ideas. The show features CEO interviews and analysis of the companies.

We have a new episode coming tomorrow!

**

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Access, insight and ideas!

Have a great day!



[Mark Bunting](#) | *Publisher*



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