



**INVEST LIKE A PRO, WITH THE PROS!**



Good morning!

Today, we interview the CEO of *Liquor Stores N.A.* (*TSX:LIQ*) about the company's move into cannabis.

Tomorrow's *Digest* looks at two mining stocks analysts see gaining as much as 50%.

And Thursday's new [Capital Ideas TV](#) features interviews with [Park Lawn \(TSX:PLC\)](#), [CannTrust \(TSX:TRST\)](#), [NuRAN Wireless \(CSE:NUR\)](#) and KISS's Gene Simmons!

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](#).

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## Morning Need to Know by Capital Ideas Research

Getting you ready for your investing day

April 9, 2018

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

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### MARKETS

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TSX equity futures and U.S. futures are higher to start the week as a Trump tweet eases trade war concerns, and as investors gear up for another earnings season.

In Asia, Japan's Nikkei rose 0.5%, Hong Kong's Hang Seng advanced 1.3% with tech and financial shares climbing. The Shanghai Composite Index rose 0.6%.

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### CURRENCIES

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The Canadian dollar is dormant at \$0.7820 U.S.

Bitcoin is lower by 4% at \$6,747, according to CoinDesk.

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### COMMODITIES

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West Texas Intermediate is up 1% to \$62.69 a barrel.

Gold is flat at \$1,335.70.

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### STOCKS THAT MAY MOVE

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**Crescent Point Energy (TSX:CPG)** Cation Capital said it intends to nominate four candidates to Crescent Point Energy's board next month at the company's annual shareholders meeting, Reuters reported. Cation said it was compelled to take this action given the "significant destruction" of shareholder value and the "abject failure" of the Canadian oil producer's current leadership across all aspects.

**Kinder Morgan Canada (TSX:KML)** has suspended most work on a \$7.4 billion (Canadian) oil pipeline expansion that has become the focus of protests, as company Chairman Steve Kean said he would scrap plans to nearly triple the capacity of the Trans Mountain pipeline, which takes crude from Alberta's oil sands to a facility in the Pacific province of British Columbia, unless the various legal challenges could be resolved by May 31.

**Cardiome Pharma (TSX:COM; NASDAQ:CRME)** says it has struck an amended agreement with CRG Servicing whereby CRG has agreed to allow the sale of its Canadian business portfolio in a deal with Cipher Pharmaceuticals. In return CRG received 800,000 common share purchase warrants with an exercise price of \$2.50 (U.S.).

**Tricon Capital Group (TSX:TCN)** is selling a portfolio of 14 manufactured housing communities, including its Tricon Lifestyle Communities to an institutional investor in order to "simplify Tricon's business," said Gary Berman, CEO of Tricon Capital... "pay down our corporate credit facility... and create additional flexibility for future investments".

**Obsidian Energy (TSX:OBE)** and FrontFour Capital Group LLC say that FrontFour will nominate two directors at Obsidian's next annual shareholder meeting on May 11.

**MTY Food Group (TSX:MTY)** misses earnings and revenue estimates in its latest quarter.

**AveXis (NASDAQ:AVXS). Novartis (NYSE:NVS)** is moving

further into gene therapy with a \$8.7 billion deal for AveXis that gives the Swiss drugmaker a rare-disease treatment seen reaping billions in sales and bolsters its technology base. The \$218 per share cash deal represents a 72% premium to AveXis's 30 day volume weighted average stock price.

**Alphabet Inc (NASDAQ:GOOGL)** Investors are not giving Alphabet sufficient credit for its growth outlook and franchise value, as the tech company could see profits expand 15 to 20% annually over the next three years, Barron's said.

**Deutsche Bank AG (NYSE:DB)** Christian Sewing must quickly come up with a coherent strategy for Deutsche Bank after the retail banking veteran was promoted to chief executive of Germany's largest lender, according to Reuters. Sewing, 47, was appointed late on Sunday after a crisis meeting to discuss how to end three years of losses. He replaces Briton John Cryan who failed to meet cost targets.

**Facebook (NASDAQ:FB)** Chief Executive Officer Mark Zuckerberg will hold meetings with some U.S. lawmakers on Monday, a day before he is due to appear at Congressional hearings over a political consultancy's use of customer data, two congressional aides said.

**Newmont Mining (NYSE:NEM)** Six construction workers have been killed in an accident at the company's Ahafo gold mine in Ghana, forcing the surface mine to suspend its operations, a local Newmont manager said. The workers died after a tunnel roof collapsed on them at the construction site of an expanded gold processing plant.

**Viacom (NASDAQ:VIAB) & CBS (NYSE:CBS)** Viacom has asked CBS to sweeten its merger bid by about \$2.8 billion or almost a quarter more than CBS's offer, Reuters reported.

**Vornado Realty Trust (NYSE:VNO)** The chairman of the company said it has a "handshake" agreement with the family-run company of Donald Trump son-in-law Jared

Kushner, Kushner Companies, to sell its minority interest in a Manhattan office tower on Fifth Avenue. Vornado, which has a 49.5% stake in the office portion of 666 Fifth Avenue, did not disclose the terms of the potential deal.

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

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## CANADIAN ANALYSTS' CALLS

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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

**Algoma Central (TSX:ALC)** GMP starts coverage with a "buy" and a price target of \$18 (Canadian).

**Founders Advantage Capital (TSXV:FCF)** Echelon Wealth Partners rates as a "new buy".

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**Dream Industrial REIT (TSX:DIR.UN)** Desjardins Securities lifts the target to \$10.75 from \$10 and maintains a "buy".

**Yangarra Resources (TSX:YGR)** CIBC boosts the target to \$7.50 from \$7, reiterates 'outperformer'. The stock closed Friday at \$4.85.

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## U.S. ANALYSTS' CALLS

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**General Motors (NYSE:GM)** Morgan Stanley upgrades to "overweight" and raises the target to \$48 (U.S.) from \$45.

**Magellan Midstream Partners (NYSE:MMP)** RBC upgrades to "outperform" with a price target of \$79, which implies 37% upside.

**Vistra Energy (NYSE:VST)** RBC raises the target to \$24 from \$23, indicating 22% gains, maintains "outperform"

**Facebook Inc (NASDAQ:FB)** Jefferies cuts target price to \$215 from \$230, saying that near-term headline and general data protection regulation risk are likely to weigh on the company's user sentiment.

**Incyte (NASDAQ:INCY)** Barclays cuts target price to \$85 from \$135, following the failure of its cancer drug Epacadostat in late-stage melanoma study. Oppenheimer cuts the target to \$65 from \$110.

**Paycom Software (NYSE:PAYC)** Dougherty raises price target to \$125 from \$100, citing strong growth in the company's business as it continues to build the pipeline for 2019 and beyond with its second office opening of the year.

**Dollar Tree (NASDAQ:DLTR)** RBC raises target price to \$108 from \$106, to reflect the company's recent debt financing, through which it expects to save \$11 million in interest expense per quarter.

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## Daily Update

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Tomorrow's new [\*Digest\*](#) examines two miners

excellently positioned to benefit from the most appealing metal right now. One is a producer, the other is developing a world-class mine, and these stocks could gain anywhere from 30-to-50% in the next year.

The latest episode of [Capital Ideas TV](#) updates the stories of some of our best-performing investment ideas with CEO interviews and analysis of the companies.

We also have a sneak peek at a longer interview that we'll present soon with [Namaste Technologies \(CSE:N\)](#) CEO Sean Dollinger at the company's new CannMart distribution centre.

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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!



***Mark Bunting*** | *Publisher*  
***Capital Ideas Media***

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