



INVEST LIKE A PRO, WITH THE PROS!



Good morning!

We've got *two mining ideas* in today's new [*Capital Ideas Digest*](#) that have broad exposure to the best positioned base metal.

The research says **the stocks can gain as much as 50%**. The new Digest will be posted at its usual Tuesday time of 7 pm ET. **Don't miss it!**

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 10, 2018

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MARKETS

TSX equity futures and U.S. futures are higher following what's being called a landmark economic speech by Chinese Premier Xi Jinping, in which he called for a "new phase of opening up".

Major European indices are mostly higher.

In Asia, Japan's Nikkei finished up 0.5%. The Shanghai Composite Index tacked on 1.7%. Hong Kong's Hang Seng rose 1.6%.

CURRENCIES

The Canadian dollar is up 0.3% at \$0.7897 U.S.

Bitcoin isn't moving too much at \$6,760, according to CoinDesk.

COMMODITIES

West Texas Intermediate is higher by 1.6% to \$64.44 a barrel ahead of two weekly U.S. inventory reports today and tomorrow.

Gold is essentially flat at \$1,339.00.

STOCKS THAT MAY MOVE

Kinder Morgan Canada (TSX:KML) The Canadian government said it was considering all its options on the Trans Mountain pipeline expansion, including a possible investment of public funds to ensure construction goes ahead, after Kinder Morgan halted most work on the project and set a May 31 deadline to scrap the plan, Reuters reported.

Delta 9 Cannabis (TSXV:NINE) has signed a non-binding letter of intent to become a preferred supplier of medical cannabis to pharmacy chain Pharmasave.

Alibaba (NYSE:BABA) The company's financial technology offshoot, Ant Financial, is planning to raise \$9 billion in its latest round of funding, which would value the company at about \$150 billion, according to Reuters. Alibaba, run by billionaire Jack Ma, plans to list shares of Ant in the U.S. and China.

Tenneco (NYSE:TEN) The auto parts maker is buying Federal-Mogul from Icahn Enterprises for \$5.4 billion.

Verifone Systems (NYSE:PAY) is up 50% in premarket trading as the payments company agreed to be bought in an all-cash deal by Francisco Partners for \$3.4 billion, including debt.

Wells Fargo (NYSE:WFC) The Consumer Financial Protection Bureau is planning to fine the bank several hundred million dollars for auto insurance and mortgage lending abuses, according to Reuters.

Boeing Co (NYSE:BA) Lion Air Group announced a firm order for 50 Boeing 737 MAX 10 jets worth \$6.24 billion at list prices. Boeing says deliveries should begin in 2020.

Facebook Inc (NASDAQ:FB) Founder and Chief Executive Mark Zuckerberg will strike a conciliatory tone on Tuesday in

testimony before Congress in an attempt to blunt possible regulatory fallout from the privacy scandal engulfing his social network, according to Reuters. Zuckerberg said in written testimony on Monday that he had made mistakes and had held too narrow a view of the social network's role in society.

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*.

INITIATIONS

Allegiant Gold (TSXV:AUAU) Beacon Securities starts coverage with a "speculative buy" rating on this gold explorer with its main asset in Nevada. The price target of \$0.90 (Canadian) implies 117% gains from the current price.

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Pure Multi-Family REIT (TSXV:RUF.UN U.S.; TSXV:RUF.UN) RBC raises the price target to \$8.25 (U.S.), giving the stock potential for gains of 17% after the company announced a strategic review, which could involve a sale. Pure has rejected an offer from Electra America.

Horizon North Logistics (TSX:HNL) GMP FirstEnergy boosts the target to \$2.50 (Canadian) from \$2 and maintains a "hold"

rating. Raymond James cuts to "underperform" while the target goes to \$1.70 from \$1.60.

Cogeco Communications (TSX:CCA) RBC cuts target price to \$86 from \$89, to reflect the lack of identifiable fundamental catalysts.

Kinder Morgan Canada (TSX:KML) CIBC cuts rating to "neutral" from outperformer, citing the heightened risk to the Trans Mountain expansion project. TD cuts to "hold" and the target goes to \$17.50 from \$24.

QUICK HITS FROM BLOOMBERG NEWS

- **Centerra Gold (TSX:CG)** Raised to "outperform" at National Bank; Price target (PT) \$10.75.
 - **Copper Mountain Mining (TSX:CMMC)** Raised to "outperform" at National Bank.
 - **Taseko Mines (TSX:TKO)** Upgraded to "outperform" at National Bank; PT \$2.75.
 - **Yamana Gold (TSX:YRI)** Upgraded to "outperform" at National Bank; PT \$5.75.
 - **Equitable Group (TSX:EQB)** Rated "new outperform" at BMO; PT \$65.
 - **First Quantum Minerals (TSX:FM)** Cut to "sector perform" at National Bank.
 - **First National Financial (TSX:FN)** Reinstated "market perform" at BMO with a target of \$26.
 - **Home Capital Group (TSX:HCG)** Rated "new market perform" at BMO; PT \$15.50.
 - **Kinross (TSX:K)** BMO cuts to "market perform" and the target drops to \$3.50 from \$4.75 as Russia exposure will weigh on shares.
 - **MTY Food Group (TSX:MTY)** Cut to "sector perform" at National Bank; PT \$53.
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U.S. ANALYSTS' CALLS

Netflix (NASDAQ: NFLX) J.P. Morgan upgrades to "overweight" and raises the target to \$328 (U.S.), 13% above Monday's closing price, ahead of the company's earnings on April 16. Raymond James ups the target to \$330 from \$290. Evercore lifts the target to \$250 from \$220.

Nvidia (NASDAQ: NVDA) Morgan Stanley upgrades to "overweight".

WHAT WE'RE READING

Why these two trading patterns could be indicating an imminent [market melt-up](#).

Daily Update

The new [Digest](#) also has new coverage of an energy company with 'long-term sustainable growth' and 67% 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 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!



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