



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



Good morning!

Today's new [Capital Ideas Digest](#), which will be posted at 7 pm ET, explains the investment opportunity in a global digital media company with 70% upside.

This Thursday, [Capital Ideas TV](#) reveals its *All-Star Performers*, most of them with triple digit gains, including a new interview

with **Namaste Technologies (CSE:N)** CEO *Sean Dollinger* at the company's CannMart facility.

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 3, 2018**

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

---

### **MARKETS**

---

**TSX equity futures** are slightly lower and **U.S. futures** are higher as concerns of a trade war between the U.S. and China linger.

In economic data, European economic growth in March came in at the slowest pace in eight months although the UK number was higher than expected.

---

### **CURRENCIES**

---

**The Canadian dollar** is up 0.6% to \$0.7791 U.S.

**Bitcoin** is higher 5%% at \$7,403.28, according to CoinDesk.

---

### **COMMODITIES**

---

**West Texas Intermediate** is up 0.5% at \$63.35 a barrel.

**Gold** is down 0.4% slightly to \$1,342.10.

---

### **STOCKS THAT MAY MOVE**

---

**Transcontinental (TSX:TCL.A)** is raising \$250 million (Canadian) in a bought deal financing with a syndicate of underwriters that will buy 9.4 million subscription receipts at \$26.60 each. The deal will help pay for Transcontinental's \$1.7 billion purchase of plastics packaging company Coveris Americas, announced on Monday.

**Spotify Technology SA (NYSE:SPOT)** The streaming music leader goes public today in an unusual 'direct listing' whereby the Swedish firm is not going the traditional route of engaging investment banks to bring it to market in an initial public offering. Spotify says it's chosen this option in part so that existing shareholders are not diluted.

Valuing the company in the first session may be tricky as investors look for what they consider a fair price. Spotify Chief Executive Daniel Ek says, "I have no doubt that there will be ups and downs".

In informal trading on Monday, pricing for Spotify was changing hands at around \$132 (U.S.) a share, which would value the company at more than \$23 billion. RBC has an "outperform" on the stock with a \$220 price target, which implies 70% upside.

**Tesla (NASDAQ:TSLA)** is up about 2% in pre-market trading after announcing that its Q1 production rose 40% from last year.

**CBS Corp (NYSE:CBS) & Viacom Inc (NASDAQ:VIAB)** The company plans to make an all-stock offer for Viacom that values the U.S. media company below its current market valuation, according to Reuters.

**Twenty-First Century Fox Inc (NASDAQ:FOXA)** says it could legally separate Sky News within the wider Sky group to allay the concerns of a British regulator about the news service's continuing independence under Rupert Murdoch's

ownership, according to Reuters. It also said it could sell the 24-hour news channel to Walt Disney if its bid to acquire the 61% of Sky it doesn't already own is approved, regardless of whether Disney's proposed acquisition of Twenty-First Century Fox's assets proceeds.

*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

**Northern Empire Resources (TSXV:NM)** Canaccord Genuity starts coverage of this junior gold explorer with assets in Nevada with a "speculative buy" rating and a price target of \$2 (Canadian). The stock closed Monday at \$1.34. The management team previously sold International Royalty and Newmarket Gold for a combined \$1.7 billion.

\*\*

**Photon Control (TSXV:PHO)** This wafer fabrication equipment supplier was our cover story last week based on research from Echelon Wealth Partners, which gave the stock 65% upside. Now, Echelon is upgrading the shares to "top pick" based on "*best-in-class free cash, flow, return on invested capital and an attractive valuation.*"

**American Hotel Properties REIT (TSX:HOT.UN), (TSX:HOT.UN (U.S.))** Here's an update on this REIT that we featured in the Digest as a contrarian play in a rising interest rate world on March 13.

The units haven't budged since then but AHIP pays a 10% dividend yield. CIBC reiterates its "outperformer" rating and an \$8 (U.S.) price target on the TSX-listed, U.S. dollar denominated shares.

Meanwhile, RBC is maintaining its "sector perform" rating and price target of \$7.25 after the company struck a deal to have its hotels managed by Aimbridge Hospitality, which the analyst sees as a positive based on the following factors: 1) more robust IT systems; 2) better market intelligence; 3) increased purchasing power; 4) shared resources in certain cities; and, 5) improved labour cost management.

**Village Farms (TSX:VFF)** [Capital Ideas TV](#) viewers are familiar with this company that is converting much of its fruit and vegetable production to cannabis. The stock is higher by more than 250% since we first talked to the CEO. Watch the latest interview with Michael DeGiglio [here](#).

Beacon Securities is maintaining its "buy" rating and a price target of \$12 (Canadian), which gives the shares 134% upside, after the company beat estimates with its earnings and updated the market on its Pure Sunfarms joint venture with **Emerald Health (TSXV:EMH)**.

**Keyera (TSX:KEY)** GMP FirstEnergy raises the target to \$38 from \$37, giving the stock 18% upside, and maintains its "hold" rating after the company struck a 20-year infrastructure development and mid-stream service deal with

**Encana (TSX:ECA).**

**StorageVault Canada (TSXV:SVI)** GMP maintains its "buy" rating and target of \$3.15, implying 30% gains, after the company said it was buying three stores worth nearly \$69 million in Ontario.

**Canadian National (TSX:CNR)** Rated "outperform" at Raymond James.

**Fairfax Financial (TSX:FFH)** Rated "sector perform" at Scotiabank.

---



## U.S. ANALYSTS' CALLS

---

**Ralph Lauren Corp (RL-N)** JP Morgan raises price target to \$121 (U.S.) from \$118, following an investor dinner in which the company's management said that focus was on "value creation" in both the near-term and next five years through sequential top-line improvement, productivity/efficiency gains, and capital allocation.

---

## Daily Update

---

Our *All-Star Performers* show, which we'll post on Thursday, will feature interviews with the CEOs of our best performing ideas. One of them is higher by more than 350% since our first interview.

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.

\*\*

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.

\*\*

Get access to live webinars and ask questions of investment experts by [signing up](#) as a premium member for just \$25 a month.

\*\*

[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!

Enjoy your long weekend and see you on Monday!



**[Mark Bunting](#)** | *Publisher*  
**[Capital Ideas Media](#)**

---

---



---

The information and recommendations made available here (“Information”) by CIR and/or all affiliates is for informational purposes only and not to be used or construed as an offer to sell or a solicitation of an offer to buy any services or securities. You further agree that neither Capital Ideas Research will be liable for any losses or liabilities that may be occasioned as a result of the information or commentary provided in the letter. By accessing the site and reading this note, you accept and agree to be bound by and comply with the terms and conditions set out herein. If you do not accept and agree to the terms, you should not use this site or accept this email.

CIR is not registered as an adviser under the securities legislation of any jurisdiction of Canada and provides the Information pursuant to an exemption from the registration requirements that is available in respect of generic advice. The recommendations contained on the site and in this email are not tailored to the needs of particular persons and may not be appropriate for you depending on your financial position or investment goals or needs. You should apply your own judgment in making any use of the Information, especially as the basis for any investment decision. Prior to making any investment decision, we recommend that you seek outside advice from a qualified and registered investment advisor.

In no event will CIR be responsible or liable to you or any other party for any damages of any kind arising out of or relating to the use of, misuse of or inability to use this site and email. The Information is directed only at persons resident in Canada. Nothing in this site shall constitute an offer or solicitation to anyone in the United States of America or any jurisdiction where such offer or solicitation is not authorized or to any person to whom it is unlawful to make such a solicitation. If you choose to access this site or email from outside of Canada, you acknowledge that the Information is intended for use by persons resident in Canada only.

This is not an investment advisory, and should not be used to make investment decisions. Information in CIR is often opinionated and should be considered for information purposes only. No stock exchange anywhere has approved or disapproved of the information contained herein. There is no express or implied solicitation to buy or sell securities. The writers and editors of CIR may have positions in the stocks discussed above and may trade in the stocks mentioned. Don't consider buying or selling any stock without conducting your own due diligence.

*Copyright © 2016 Capital Ideas Research, All rights reserved.*

You are receiving this email because you are part of our investment network.

[Add us to your address book](#)

[unsubscribe from this list](#)   [update subscription preferences](#)



---

This email was sent to <<Email Address>>

[why did I get this?](#) [unsubscribe from this list](#) [update subscription preferences](#)

Capital Ideas Research · HSBC Bank Place 10250 101 Street Suite 1803 · Edmonton, Alberta T5G-3P4 · Canada