



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



Good morning.



Apologies for not being able to access the shiny, new *Capital Ideas Digest* yesterday. We had a technical snafu. [Here it is.](#)

This week's cover story idea is an outperforming tech stock which could see annual gains of as much as 20% for the next several years.

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## **Morning Need to Know by Capital Ideas Research**

Getting you ready for your investing day

**July 25, 2018**

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

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## CANADIAN ANALYSTS' CALLS

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### INITIATIONS

**Neo Lithium (TSXV:NLC)** Eight Capital starts with a "buy" and a target of \$33 (Canadian).

**Tervita (TSX:TEV)** Peters & Co. begins coverage with an "outperform" and a target of \$13. TD Securities starts with a "buy" and a \$13 target.

**Endeavour Mining (TSX:EDV)** Pareto starts with a "buy" and a target of \$33 (Canadian).

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**Toromont (TSX:TIH)** BMO upgrades to "outperform" with a target of \$72 from \$61. More on Toromont below.

**Keyera (TSX:KEY)** GMP upgrades to "buy" and moves the target to \$44 from \$41.

**Canadian National (TSX:CNR)** Morgan Stanley ups the target to \$116 from \$106 following the company's earnings results. Desjardins Securities ups the target to \$121 from \$118 and keeps a "buy" rating. Raymond James hikes the target to \$120 from \$116 and reiterates "outperform". More below.

**Parkland Fuel (TSX:PKI)** Canaccord Genuity lifts the target to \$44 from \$42 and maintains a "buy".



## U.S. ANALYSTS' CALLS

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**Interpublic Group (NYSE:IPG)** RBC upgrades to "outperform" and lifts the target to \$27 (U.S.) from \$26, giving the advertiser's stock 28% upside.

**3M (NYSE:MMM)** RBC boosts the target on this industrial giant to \$234 from \$233, implying 19% upside, and maintains an "outperform".

**Kimbell Royalty Partners (NYSE:KRP)** RBC moves the target to \$26 from \$24, indicating 25% gains, and maintains an "outperform".

**American Eagle Outfitters (NYSE:AEO)** Jefferies has raised the target to \$33 from \$30.

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## STOCKS THAT MAY MOVE

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**Fiat Chrysler Auto (NYSE:FCAU)** Canadian educated former CEO Sergio Marchionne has died suddenly after complications from shoulder surgery.

Separately, the stock is down about 9% in pre-market trading after the company warned on its profit due to U.S. aluminum and steel tariffs. **General Motors (NYSE:GM)** is also lower for the same reason.

**Aimia (TSX:AIM)** Air Canada, TD, CIBC, and Visa Canada have offered to buy Aimia's Aeroplan loyalty business for \$2.25 billion (Canadian), including \$250 million in cash. The offer is equal to \$3.64 a share. Aimia closed Tuesday at \$2.50.

**Bombardier (TSX:BBD.B)** has been awarded an \$880 million contract from Singapore to supply 66 new trains.

**Canadian National (TSX:CNR)** beats earnings estimates and boosts its full-year forecast.

**Calfrac Well Services (TSX:CFW)** quarterly revenue beat the highest analyst estimate.

**Loblaw (TSX:L)** Q2 adjusted EPS beats estimates.

**Toromont (TSX:TIH)** quarterly EPS beat the highest analyst estimate.

**Lululemon (NASDAQ:LULU)** has named Sephora executive and former Sears

executive Calvin McDonald as its new CEO.

**Northrop Grumman (NYSE:NOC)**, **Thermo Fisher Scientific (NYSE:TMO)**, and **Wix.com (NASDAQ:WIX)** all beat estimates with their quarterly earnings and raised their forecasts. A cross section of defense, medical device and cloud computing companies highlighting the current strength of the U.S. economy.

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

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## MARKETS

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**TSX and U.S. equity futures** are mixed ahead of a meeting between U.S. President Donald Trump and European Commission President Jean-Claude Juncker, who will discuss trade.

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## CURRENCIES

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**The Canadian dollar** is slightly higher at \$76.19 U.S.

**Bitcoin** is taking a breather, down 2%, at \$8,218, according to CoinDesk.

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## COMMODITIES

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**West Texas Intermediate** is up slightly to \$68.63 a barrel.

**Gold** is higher by 0.5% at \$1,231.60 an ounce.

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## Daily Update

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Watch the weekly [Namaste Live 420](#) today featuring an in-studio interview with the company's new CFO, Kenneth Ngo.



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**Mark Bunting** | *Publisher*  
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