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Good morning!

Is Facebook finally affordable? Read on.



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

Getting you ready for your investing day

**July 26, 2018**

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

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## CANADIAN ANALYSTS' CALLS

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### INITIATIONS

**Parex Resources (TSX:PXT)** RBC lifts the target to \$30 (Canadian) from \$28, giving the stock 40% upside, and maintains an "outperform" after the company said it may sell one of its key assets in Columbia. Parex has been one of our better ideas the last couple of years having doubled after a Keith Schaefer recommendation.

**Aimia (TSX:AIM)** RBC raises the price target to \$5 from \$2 and assigns a "speculative risk" designation to its "sector perform" rating after Air Canada and three banks made a hostile bid to buy it for \$2.5 billion.

**Loblaw (TSX:L)** CIBC ups the target to \$81 from \$78 and maintains "outperformer" rating.

**Cameco (TSX:CCO)** TD upgrades to "buy" with a target of \$18. See more below.

**Calfrac (TSX:CFW)** Cormark upgrades to "buy".



## U.S. ANALYSTS' CALLS

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**Facebook (NASDAQ:FB)** RBC reduces the target to \$225 (U.S.) from \$250, giving the stock 30% upside, and maintains an "outperform" rating after the company missed estimates and

gave lower guidance but the analyst says the company's forecast is overly conservative. The stock is down more than 20% in pre-market trading after having hit all-time highs.

**Qualcomm (NASDAQ:QCOM)** RBC boosts the target to \$72 from \$70, implying 25% upside, and maintains an "outperform". See below for more on Qualcomm.

**Coca-Cola (NYSE:KO)** Jefferies lifts the target to \$48 from \$45 after a "strong" Q2 and what it describes as *best-in-class organic sales*.

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## STOCKS THAT MAY MOVE

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**Cascades (TSX:CAS)** is buying the White Birch, Bear Island manufacturing facility in Virginia for \$34.2 million in cash.

**Cameco (TSX:CCO)** is indefinitely suspending operations at its McArthur River and Key Lake projects throwing 700 people out of work as the uranium sector remains severely challenged.

**Novagold (TSX:NG)** Newmont is buying the company's Galore Creek project for as much as \$275 million (Canadian).

**Lundin Mining (TSX:LUN)** has formally started its takeover bid for **Nevsun Resources (TSX:NSU)** by offering \$4.75 a share in cash, valuing the company at \$1.44 billion. Meanwhile, Lundin CFO Julie Inkster will become the new CEO.

**Extendicare (TSX:EXE)** The CEO is stepping down.

**Golden Leaf (CSE:GLH)** has received a state license in Oregon to operate its extraction facility.

**MPX Biocetical (CSE:MPX)** has filed a restated Management's Discussion and Analysis for the three and nine month periods ended Dec. 31, 2017, after a request from the Ontario Securities

Commission.

**Barrick Gold (TSX:ABX;NYSE:ABX)**, **Goldcorp (TSX:G;NYSE:GG)**, and **Agnico Eagle (TSX:AEM;NYSE:AEM)** all missed analyst estimates with their earnings numbers.

**Teck Resources (TSX:TECK.B;NYSE:TECK)** beat estimates with its earnings and appointed Dominic Barton as chairman.

**Qualcomm (NASDAQ:QCOM)** has ended its \$44 billion (U.S.) bid to buy **NXP Semi (NASDAQ:NXPI)** after failing to win approval in China. Qualcomm will pay NXP a whopping \$2 billion breakup fee. NXP says it will buy back \$5 billion worth of shares.

**D.R Horton (NYSE:DHI)** has beaten analysts earnings estimates for the seventh straight quarter reflecting a robust U.S. housing market.

**Gilead (NASDAQ:GILD)** the CEO John Milligan and Chairman John Martin will step down as soon as the end of the year ending a 30-year run for the two men.

**Spotify (NYSE:SPOT)** increased its paid subscriber base by 10 million in Q2 to about 83 million, roughly double Apple's music subscriber numbers. Revenue slowed for Spotify to growth of 26%.

**Royal Dutch Shell (NYSE:RDS.B)** has launched a \$25 billion share buyback program.

*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 amid a slew of earnings reports and easing trade tensions between the U.S.

and Europe.

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## CURRENCIES

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The Canadian dollar is drifting at \$76.60 U.S.

Bitcoin is up 0.8% at \$8,225, according to CoinDesk, and is higher by 45% in the last month.

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## COMMODITIES

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West Texas Intermediate is off 0.3% to \$69.12 a barrel.

Gold is down by 0.54% at \$1,227.10 an ounce.

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## Daily Update

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Check out the latest [Capital Ideas Digest](#) for our cover story idea on an outperforming tech stock which could see **annual gains of as much as 20% for the next several years.**

Also, watch the weekly [Namaste Live 420](#) with CEO *Sean Dollinger* on the company's latest earnings and its application to list on the Nasdaq. The show also features an in-studio interview with the company's new CFO, *Kenneth Ngo*.

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Have a great day!



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

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