



INVEST LIKE A PRO, WITH THE PROS!



Good morning!



We'll be interviewing executives today with **Cannex Capital (CSE:CNNX)** and **Isodiol (CSE:ISOL)**, two promising companies in the cannabis sector, which is suddenly again all the rage after Constellation's \$5.2 billion injection into Canopy Growth. Watch out for these interviews early next week.

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The *Capital Ideas Digest* will return August 21.

The *Morning Note* continues with its regular schedule.

Morning Need to Know by Capital Ideas Research

Getting you ready for your investing day

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CANADIAN ANALYSTS' CALLS

INITIATIONS

Tervita (TSX:TEV) CIBC starts coverage of Canada's largest oilfield waste management and environmental services company with an "outperformer" and a 12-18 month price target of \$13.50. The stock closed Wednesday at \$9.30.

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Canopy Growth (TSX:WEED;NYSE:CGC)

Canaccord Genuity upgrades to "speculative buy" and moves the target to \$50 from \$34, saying Constellation Brands \$5.2 billion investment in the company is a "*transformational industry event*". Canaccord acknowledges that WEED trades at 29 times 2020 EV/EBITDA but says the company has 12 times more cash than its closet competitor and has global first mover advantage.

Echelon Wealth Partners sees the deal as a "*very strong endorsement*" of Canopy but maintains a sell and moves the target to \$34.50 from 30.

Theratechnologies (TSX:TH) Mackie Research has helped investors to a 750% gain on this stock since it launched coverage. Mackie maintains its "buy" rating and a target of \$19.50, giving the stock an additional potential return of 116%.

TransGlobe Energy (TSX:TGL;NASDAQ:TGA) RBC boosts the price target to \$5 from \$4.30, implying 23% upside, and maintains an "outperform".

BSR REIT (TSX:HOM.UN) Industrial Alliance upgrades to "strong buy" and keeps the target at \$11.

LXR&Co (TSX:LXR) Canaccord Genuity downgrades the stock and cuts the target to \$0.45 from \$3 after the company said it was planning to restate its historic financial results, which could result in a breach of a covenant on a credit facility, and said it will undergo a strategic and financial review.



U.S. ANALYSTS' CALLS

CenturyLink (NYSE:CTL) RBC lifts the target to \$27 (U.S.) from \$22, which implies 30% gains, and maintains an "outperform" after the company's "solid" quarter and that it increased its full-year forecast.

Cisco Systems (NASDAQ:CSCO) is a much slower grower compared to its heyday although a triple in five years is not bad. RBC is lifting the target to \$52 from \$50, expecting 22% gains, and maintaining its "outperform" after the company beat estimates with its earnings and raised its guidance.

Embraer (NYSE:ERJ) Morgan Stanley raises the Bombardier rival to "overweight" saying the stock offers an attractive risk-reward after a recent selloff.

STOCKS THAT MAY MOVE

StorageVault Canada (TSXV:SVI) This acquisitive consolidator of storage units took a Q2 net loss of \$9.2 million loss, compared to a loss of \$3 million a year ago due to \$14.3 million of depreciation and amortization and \$1.9 million in stock-based compensation. Q2 revenue nearly doubled to \$23.2 million, and existing self-storage stores revenue jumped by 5.6% from last year.

Wal-Mart (NYSE:WMT) is up 11% in pre-market trading after the world's largest retailer said e-commerce sales surged 40% from last year, a faster pace than the 33% recorded in the previous quarter.

BCE (TSX:BCE) BellMedia has struck a deal to be the exclusive Canadian broadcaster of programming for Vice Media. Vice previously had a deal with Rogers Media that was not renewed.

Best Buy (NYSE:BBY) is making its largest-ever purchase by buying GreatCall for \$800 million in cash. GreatCall is an emergency response services company for seniors and has about 900,000 subscribers.

Amazon.com (NASDAQ:AMZN) is reportedly looking into buying cinema chain Landmark theatres.

JD.com (OTC:JD) is down after China's second-largest e-commerce company missed sales estimates and took a Q2 net loss.

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

MARKETS

TSX and U.S. equity futures are solidly higher as the U.S. and China are planning low-level trade talks and Qatar has pledged \$15 billion to struggling Turkey.

Canadian manufacturing sales in June rose 1.1%, better than forecast.

CURRENCIES

The Canadian dollar is steady at \$76.11 U.S.

Bitcoin is up 0.7% to \$6,313, according to CoinDesk,

COMMODITIES

West Texas Intermediate is up 0.5% to \$65.32 a barrel.

Copper, seen by many as a good gauge of the future direction of the economy, has fallen into bear market territory - down more than 20% from its recent high - partly on concern of slowing growth in China and emerging markets.

Gold is drifting \$1,183.50 an ounce.

Daily Update

If you missed the [Namaste 420 Live](#) on Wednesday, check it out to get CEO Sean Dollinger's opinion on the ramifications of the Constellation Brands/Canopy Growth deal.

And if you missed the *Mid-Summer Cannabis Investing Live Webinar* the other day, you'll be able to view it on the [Small Cap Power website](#) later today.

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