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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

August 10, 2018

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CANADIAN ANALYSTS' CALLS

Sienna Senior Living (TSX:SIA) CIBC upgrades to "outperformer" with a target of \$19 (Canadian). Raymond James also upgrades to "outperform" with a target of \$19.

Computer Modelling (TSX:CMG) Industrial Alliance upgrades to "buy" and lowers the target to \$10 from \$10.50, saying the market's reaction to the company's earnings results, which sent the stock lower by nearly 12%, was an "overreaction".

Killam Apartment REIT (TSX:KMP.UN) Raymond James upgrades to "outperform" and keeps the target at \$17 saying the REIT's fundamentals are "hot".

Equitable Group (TSX:EQB) CIBC moves the target to \$86 from \$81 and reiterates an "outperformer".

Canada Goose (TSX:GOOS) CIBC lifts the target to \$95 from \$92 and keeps its "outperformer" rating.

TMX Group (TSX:X) CIBC boosts the target to \$101 from \$98 and reiterates an "outperformer".

Martinrea (TSX:MRE) RBC lifts the target to \$24 from \$23, which implies 80% gains, and maintains an "outperform" rating.

Points Int'l (TSX:PTS;NASDAQ:PCOM) RBC boosts the target to \$19 (U.S.) from \$17, giving the shares 26% upside potential, and maintains an "outperform".

AGI (TSX:AGI) RBC hikes the target to \$70 (Canadian) from \$65, giving the stock a projected 12-month return of 23%, and maintains an "outperform" rating.

Gibson Energy (TSX:GEI) RBC moves the target to \$22 from \$20, implying 19% upside, and maintains an "outperform" rating.

Canadian Tire (TSX:CTC) Desjardins lifts the target to \$205 from \$200 and keeps a "buy" rating saying the company's earnings miss was the result of an *"unusually cold spring"* but that its outlook for the retailer is largely unchanged.



U.S. ANALYSTS' CALLS

The Trade Desk (NASDAQ:TTD) RBC hikes the target on this programmatic advertiser to \$126 (U.S.) from \$80, implying 35% upside, and maintains an "outperform". SunTrust RH ups the target to \$120 from \$75.

Dropbox (NASDAQ:DBX) RBC upgrades to "outperform" and moves the target to \$36 from \$34, suggesting gains of 15%. The stock is down 10% pre-market as the COO is stepping down, and the company has moved forward a lock-up expiration date by several trading days, which will unlock more than 356 million additional shares for trading.

Air Lease (NYSE:AL) RBC is sticking with this stock as "top pick", moving the price target to \$93 from \$91, which implies 112% upside.

Mallinckrodt (NYSE:MNK) Mizuho hikes the target to \$30 from \$17.

STOCKS THAT MAY MOVE

AutoCanada (TSX:ACQ). Remember when this car dealer was one of Canada's best growth stories? ACQ went from a \$4 (Canadian) stock in the fall of 2011 to about \$80 by the spring of 2014 - just before oil started rolling over for the Alberta-centric company. It's been mostly tears for shareholders since then with the stock plumbing a \$14.71 close on Thursday. ACQ is undergoing a strategic review and has now dumped its CEO and CFO in an executive shuffle. They'll

stick around as advisors. ACQ also said quarterly revenue fell 1.6% from last year, missing estimates, its same-store revenue was off by more than 5%, and it took a net loss of more than \$41 million.

Cineplex (TSX:CGX) This was not one of our better ideas when we had it as a cover story a year ago. We were way early to the turnaround story with the stock well down the last 12 months. But there are some rays of light at the cinema company as Q2 net income handily beating estimates, with revenue increasing 12.4% to a record high for the period. Attendance was up 5% with food services revenue jumping nearly 15% to a record level.

Boyd Group Income Fund (TSX:BYD.UN) The juggernaut that is this acquisitive collision repair company delivered quarterly earnings and sales that were essentially in line. The stock is up about six-fold in the last five years.

Cenovus (TSX:CVE) is selling some assets to **NuVista (TSX:NVA)** for \$625 million.

Tesla (NASDAQ:TSLA). The company's board continues to ask questions of CEO Elon Musk about his tweet this week in which he said he had "funding secured" for the company to be taken private. Reports say the board is talking to financial advisers and that it would ask Musk to recuse himself from any process examining electric car maker going private. The SEC is also scrutinizing the company about where this purported funding is coming from. Tesla's stock and bonds initially surged after Musk's tweet but have weakened since then.

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

MARKETS

TSX and U.S. equity futures are sharply lower after the Turkish lira plunged as much as 13% amid concerns of European banks exposure to the struggling country, which is in danger of a full

blown financial crisis and may need a bailout from the IMF.

CURRENCIES

The Canadian dollar is down 0.3 to \$76.43 U.S. as investors favour the U.S. dollar with the Euro under pressure, and the Chinese yuan falling for a ninth week.

Bitcoin is lower by 0.8% to \$6,482, according to CoinDesk,

COMMODITIES

West Texas Intermediate is up 0.6% to \$67.17 a barrel (U.S.).

Gold is modestly higher at \$1,221.00 an ounce.

Daily Update

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