



INVEST LIKE A PRO, WITH THE PROS!



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 7, 2018

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INITIATIONS

Kneat.Com (TSXV:KSI) Echelon Wealth Partners starts coverage of this software-as-a-service (SaaS) for life sciences companies with a "buy" and a target of \$3 (Canadian). The stock closed Friday at \$1.33. Yes, the projected upside is about 125%.

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Artis REIT (TSX:AX.UN) Canaccord Genuity upgrades to "buy" with a price target of \$14. Echelon drops its target by a loonie to \$12.50 and keeps a "hold" rating.

Allied Properties (TSX:AP.UN) Raymond James moves the target to \$48 from \$45 and maintains an "outperform".

Interfor (TSX:IFP) TD puts on its "action list buy" with a target of \$31.

Perpetual Energy (TSX:PMT) RBC boosts the target to \$0.80 from \$0.75, suggesting 29% gains, and maintains a "sector perform-speculative risk" rating.

Kinaxis (TSX:KXS) CIBC lifts the target to \$101 from \$95 and maintains an "outperformer".

Canada Goose (TSX:GOOS) Barclays hikes the target to \$91 from \$87.

Canadian Tire (TSX:CTC.A) Barclays lifts the target to \$194 from \$186.

Parkland Fuel (TSX:PKI) CIBC moves the target to \$44.50 from

\$38 and reiterates an "outperform".

Enbridge (TSX:ENB);NYSE:ENB) RBC lifts the target to \$59 from \$54, giving the stock a projected return of 33%, and maintains an "outperform".

Dorel Industries (TSX:DII.B) RBC boosts the target to \$30 from \$29, implying 26% upside, and maintains a "sector perform" rating.

Fairfax Financial (TSX:FFH; TSX:FFH.UN, U.S.) RBC hikes the target to \$650 (U.S.) from \$625, which implies 18% gains, and maintains an "outperform".



U.S. ANALYSTS' CALLS

INITIATIONS

Alliance Data Systems (NYSE:ADS) Jefferies starts coverage with a "buy" and a target of \$280.

STOCKS THAT MAY MOVE

Bausch Health (TSX:BHC;NYSE:BHC) A new name can't hide the financial woes of the former Valeant Pharma as Bausch took a wider quarterly loss of \$873 million compared to \$38 million last year at the same time, due to an income tax provision of \$343 million and an asset impairment charge of \$301 million. Revenue fell to \$2.13 billion from \$2.23 billion. Bausch has boosted its adjusted EBITDA forecast.

Prometic Life Sciences (TSX:PLI) says the FDA has granted a Rare Pediatric Disease Designation to its small molecule drug candidate, PBI-4050, for the treatment of Alström syndrome

(AS).

Aimia (TSX:AIM), which is rejecting Air Canada's hostile takeover, has announced partnerships with Air Transat and Flair Airlines, both of which will take effect in 2020.

Franco-Nevada (TSX:FNV) has struck a deal with **Continental Resources (NYSE:CLR)** whereby FNV will fund the majority of a new CLR subsidiary, up to \$250 million a year for three years in return for royalties. As part of the transaction, CLR will receive \$220 million from FNV.

Alibaba (NYSE:BABA) is merging its online food delivery units and looking to raise as much as \$5 billion valuing the new entity at a much as \$25 billion in an escalating battle with **Tencent (NYSE:TCEHY)** food delivery business.

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

MARKETS

TSX and U.S. equity futures are higher and world stocks are near six-month highs after the Shanghai Composite had its largest one-day rise in two years, partly on hopes for fresh Chinese government spending.

European stock indices are mostly higher and Asian stocks generally rose overnight.

CURRENCIES

The Canadian dollar is up 0.3% at \$77.08 U.S.

Bitcoin is higher by 0.3% at \$7,148, according to CoinDesk,

COMMODITIES

West Texas Intermediate is up 1% to \$69.68 a barrel (U.S.).

Gold is higher by 0.3% at \$1,221.10 an ounce.

Daily Update

Hear the new *Capital Ideas Radio* podcast. It's a two-parter with hard-charging *Siyata Mobile (TSXV:SIM)* CEO *Marc Seelenfreund*. Click [here](#) to listen.

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Have a great day!



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