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The *Capital Ideas Digest* will return August 21.

The *Morning Note* will not be published tomorrow and will return August 7.

The new *Capital Ideas Radio* podcast has been posted. Part one with

Siyata Mobile CEO Marc Seelenfreund. Click [here](#) to listen.



Morning Need to Know by Capital Ideas Research

Getting you ready for your investing day

August 2, 2018

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CANADIAN ANALYSTS' CALLS

INITIATIONS

Premium Brands (TSX:PBH) Desjardins starts coverage with a "buy" and a price target of \$115 (Canadian), which implies a total return of 15% including the dividend. Desjardins cites a number of factors including the company's share price outperformance since 2011 having gained 571% versus 66% for the TSX Composite.

Tervita (TSX:TEV) Canaccord Genuity begins coverage on the oil and gas company with a "buy" and a target of \$12.50.

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Quarterhill (TSX:QTRH;NASDAQ:QTRH) Canaccord Genuity upgrades to "speculative buy" and moves the target to \$2.50 from \$2 after the company's \$145 million patent victory over Apple.

ARC Resources (TSX:ARC) Raymond James upgrades to "strong buy" and lifts the target to \$23 from \$22.50.

goeasy (TSX:GSY) Desjardins moves the target to \$48 from 44 and maintains a "buy" ahead of the company's earnings report.

Dundee Precious Metals (TSX:DPM) RBC ups the target to \$5.50 from \$5, implying 73% upside, and maintains an "outperform".

Restaurant Brands (TSX:QSR;NYSE:QSR) RBC boosts the target to \$75 (U.S.) from \$71 and maintains an "outperform".

Brookfield Property Partners (TSX:BPY.UN;NASDAQ:BPY) RBC reduces the price target to \$25 from \$26, giving the units 31% upside, and maintains an "outperform" following earnings results.



U.S. ANALYSTS' CALLS

Tesla (NASDAQ:TSLA) Oppenheimer upgrades to "outperform" and sets the target at \$385. See more on Tesla below.

Apptio (NASDAQ:APTI) RBC moves the target to \$42 from \$41, which gives the stock a projected return of 21%, and maintains an "outperform" rating.

iRhythm Technologies (NASDAQ:IRTC) RBC lifts the target to \$93 from \$91, implying 22% upside, and maintains an "outperform".

Square (NYSE:SQ) RBC raises the target to \$82 from \$65, suggesting gains of 23%, and maintains an "outperform".

Dexcom (NASDAQ:DXCM) Cannaccord is boosting the target to \$125 from \$105.

STOCKS THAT MAY MOVE

Innergex (TSX:INE) is buying wind power assets from **TransCanada (TSX:TRP)** for \$630 million (Canadian).

DIRTT Environmental Solutions (TSX:DRT) is no longer in deal talks to sell itself after private equity groups had trouble arranging financing, according to Reuters.

Canaccord Genuity Group (TSX:CF) has arranged \$115 million in financings, including a \$41.5 million bought deal through a syndicate of underwriters, which is buying 41,500 convertible unsecured senior

subordinated debentures for \$1,000 each. Canaccord has also struck a private placement agreement "with a large Canadian asset manager," which is buying 73,500 convertible unsecured senior subordinated debentures for \$73.5 million. In addition, the company said fiscal Q1 revenue grew 37% from last year at the same time, and it had net income of \$18.6 million versus a loss last year.

Slate Office REIT (TSX:SOT.UN) is buying the building in downtown Chicago that houses CIBC's U.S. headquarters for \$155.5 million (U.S.), and is selling Water Street Properties in St. John's, Newfoundland for \$17.5 million (Canadian).

Cisco Systems (NASDAQ:CSCO) is buying Duo Security for a reported \$2.35 billion (U.S.).

Starbucks (NASDAQ:SBUX) and **Alibaba (NYSE:BABA)** are teaming up to sell Starbucks coffee in Chinese cities starting in the fall.

Tesla (NASDAQ:TSLA) is higher by 8% in pre-market trading after the company burned less cash in its latest quarter although the electric car maker took its largest-ever quarterly loss. CEO Elon Musk also apologized to two analysts he chided in last quarter's conference call for "bonehead" questions.

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

MARKETS

TSX and U.S. equity futures are sharply lower as China urges the U.S. to "calm down", saying its "carrot and stick" approach to trade will not work. Investors are also pouring over earnings from the likes of BCE, Canadian Natural Resources and Bombardier.

European stock indices are lower and **Asian stock benchmarks** were sharply down overnight.

The **Bank of England** has raised its key rate for the first time in years

to 0.75% from 0.5%. So much hand wringing over this.

CURRENCIES

The Canadian dollar is down 0.2% at \$76.76 U.S.

Bitcoin is lower 0.7% at \$7,547, according to CoinDesk,

COMMODITIES

West Texas Intermediate is down 0.5% to \$67.32 a barrel (U.S.) after two surprise weekly builds in U.S. inventories based on private and government reports.

Gold is lower at \$1,225.40 an ounce.

CHART OF THE DAY

From Dwight Galusha at setyourstop.com:

Brookfield Infrastructure Partners (TSX:BIP.UN)



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