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Morning Need to Know by Capital Ideas Research

Getting you ready for your investing day

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CANADIAN ANALYSTS' CALLS

INITIATIONS

Valeura Energy (TSX:VLE) This is a stock we've mentioned a number of times going back several months based on research from Mackie Research. The company is developing a gas condensate play in Turkey. The stock ran from \$0.22 in October to \$6.87 in February. RBC believes there are more gains to come as it starts coverage with a "speculative buy" rating and a price target of \$7 (Canadian), which gives the shares 112% upside.

Brookfield Infrastructure Partners (TSX:BIP.UN;NYSE:BIP) Industrial Alliance begins coverage with a "buy" and a target of \$46, saying the company is the "most diversified way for investors to play the broader, long-term infrastructure investment theme".

Minto Apartment REIT (TSX:MI.UN) Raymond James initiates coverage with a "buy" and a target of \$19, calling it Canada's "highest-quality" apartment REIT.

Nutrien (TSX:NTR;NYSE:NTR) Barclays begins coverage with an "overweight" and a target of \$65 (U.S.).

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Canopy Growth (TSX:WEED) Cowen & Co. moves the target to \$74 (Canadian) from \$56 saying the company will have a retail presence in five Canadian provinces and exposure to about 58% of the adult population.

Chemtrade Logistics Income Fund (TSX:CHE.UN) Desjardins upgrades to "buy" from hold and hikes the target to \$17 from \$16.



U.S. ANALYSTS' CALLS

UPS (NYSE:UPS) Raymond James upgrades to "strong buy".

Boston Scientific (NYSE:BSX) Jefferies raises the target to \$42 (U.S.) from \$34 saying the company can maintain its 7% annual revenue growth through 2022.

Salesforce (NYSE:CRM) Pivotal Research moves the target to \$140 from \$120 citing recent earnings results as an indication 2019 expectations have improved.

STOCKS THAT MAY MOVE

MTY Food Group (TSX:MTY). This stock is up about 40% since our May 2016 cover story. The acquisitive company is at it again buying most of the assets of the sweetFrog Premium Frozen Yogurt franchise system for \$35 million (U.S.)

Cronos Group (TSX;CRON;NASDAQ:CRON) has announced what it calls a “landmark partnership” with Ginkgo Bioworks to produce cultured cannabinoids. Cronos Group will fund certain research and development and expenses expected to be \$22 million (Canadian). Cronos Group will also issue up to approximately 14.7 million common shares to Ginkgo, assuming certain targets are met. The deal has a potential total value of \$100 million.

Restaurant Brands' (TSX:QSR;NYSE:QSR) dispute with franchisees is getting uglier as one franchisee in Alberta says all four of his stores had their locks changed by the company, and he was given just five minutes notice his stores were being seized after he was one of a group of franchisees who publicly complained about coffee pots shattering.

Ballard Power Systems (TSX:BDLP;NASDAQ:BLDP) is divesting some non-core assets of its Protonex subsidiary to Revision Military for up to \$16 million in cash.

Advantage Oil & Gas (TSX;AAV;NYSE:AAV) says its board has

approved the delisting of its common shares from the New York Stock Exchange. The company reviewed "the administrative burden and the costs and benefits of being a U.S. reporting company", and said the savings "are expected to be financially meaningful."

JD.com (NYSE:JD) The company's CEO Richard Liu has been allowed to return to China after being arrested in Minneapolis on suspicion of criminal sexual conduct. Police say the investigation is ongoing but Liu says he's done nothing wrong. Liu's lawyer emphasized that Liu was not charged, released without bail and allowed to return to China.

Transocean (NYSE:RIG) is buying Ocean Rig UDW for \$2.7 billion (U.S.) in cash and stock, including debt.

Amazon.com (NASDAQ:AMZN) has launched a Hindi website and app for Android in India. AMZN rivals such as Walmart's Flipchart currently don't offer local language websites.

Alibaba (NYSE:BABA) Indonesia is partnering with the company to explore ways to increase the country's exports.

Deutsche Bank (NYSE:DB) will be removed from the Euro Stoxx 50 index, according to Reuters. Shares in the bank are down 38% this year.

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

MARKETS

TSX and U.S. equity futures are pointed lower to start September as global trade tensions simmer, and the U.S. preps \$200 billion more in tariffs against Chinese goods.

CURRENCIES

The Canadian dollar is down by 0.6% to \$75.90 U.S.

Bitcoin is up by 1.3% to \$7,355, according to CoinDesk.

COMMODITIES WHAT WE'RE READING

West Texas Intermediate is higher by 2% to \$71.24 a barrel as some rigs in the Gulf of Mexico are idled ahead of Hurricane Gordon.

Gold is coming off five monthly losses in a row and is lower to \$1,200 an ounce.

Daily Update

Today's new [Capital Ideas Digest](#) looks at research on a company with "breakthrough" technology. The stock could more than double.

We'll also focus on a cannabis company that has doubled since we mentioned it and has more upside to come. Look for those at 7 pm ET.

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