



INVEST LIKE A PRO, WITH THE PROS!



Good morning.



Capital Ideas TV is producing a live show **Wednesday, October 17 at 2 pm eastern time**, the day Canada legalizes recreational marijuana.

Our guests will be a portfolio manager who's started a cannabis fund, plus two CEOs, one running a company focused on the U.S. market, the other on cultivation and extraction.

Please [click this link](#) to subscribe to our **YouTube channel** and get reminders about this special live event.

Leave your questions for our guests in the comments section. You'll also be able to ask questions in real time during the show.

We'll be updating you with more details leading up to next **Wednesday at 2 pm ET**.

Morning Need to Know

Getting you ready for your investing day

October 12, 2018

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Capital Ideas Media



CANADIAN ANALYSTS' CALLS INITIATIONS

INITIATIONS

Aphria (TSX:APH) Bryan Garnier starts coverage with a "buy" and a price target of \$31 (Canadian), saying the company is well placed to take advantage of the global trend to legalize medical and/or recreational cannabis.

MAV Beauty Brands (TSX:MAV). BMO Nesbitt Burns starts coverage with an "outperform" and a target of \$17.

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Pediaphram (TSXV:PDP) Mackie Research upgrades to "buy" and raises the price target to \$0.70 from \$0.50, giving the stock 130% upside, after the company bought Medexus and Medac Pharma. PDP also raised \$62 million through convertible debentures and equity units.

Element Fleet Management (TSX:EFN) Raymond James upgrades to "strong buy", lifts the target to \$10.50 from \$8.50, and increases its EPS estimates for 2019 and 2020, saying the company now a "*derisked, more profitable business you want to own*".

RBC moves the target on EFN to \$10 from \$9, indicating 29% upside, and maintains "outperform". TD Securities keeps its "buy" rating and \$10 target.

Canadian Pacific (TSX:CP;NYSE:CP) Stifel upgrades to "buy" and lowers the target to \$244 (U.S.) from \$247.



U.S. ANALYSTS' CALLS

Correvio Pharma (NASDAQ:CORV) Mackie

Research upgrades to "speculative buy" and keeps the target of \$4.70, implying 45% gains.

Microsoft (NASDAQ:MSFT) Macquarie upgrades to "outperform" with a target of \$121.

Netflix (NASDAQ:NFLX) Citi upgrades to "buy" and maintains a target of \$375, saying the recent sell-off is an opportunity to buy a *"high-quality franchise with attractive upside potential"*.

Square (NYSE:SQ) Canaccord Genuity upgrades to "buy" and hikes the target to \$90 from \$60.

Eli Lilly (NYSE:LLY) Barclays moves the target to \$120 from \$112.

Facebook (NASDAQ:FB) Morgan Stanley cuts the target to \$175 from \$185, saying the company's revenue is being hindered by lacklustre engagement.

STOCKS THAT MAY MOVE

Aphria (TSX:APH) reported quarterly profit that rose 41% from last year in part due to investments in Liberty Health and Hiku Brands.

J.P. Morgan (NYSE:JPM) is higher in pre-market trading after the bank saw earnings rise more than 24% from last year led by higher interest rates and tax cuts, which offset weakness in bond trading. Citigroup and Wells

Fargo are also higher after releasing their earnings results.

Royal Bank of Scotland (NYSE:RBS) has issued its first dividend since being bailed out by the UK government during the financial crisis. The government still owns 62% of the bank.

Sears Holdings (NASDAQ:SHLD). Eddie Lampert, who controls the sinking retailer, wants to bid for some of the company's assets and real estate once it files for bankruptcy, according to Reuters.

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

MARKETS

TSX and U.S. equity futures are bouncing back after large losses for the major indices the last few days, the worst start to October since 2008.

European indices are mostly higher and Asian stocks stabilized overnight.

CURRENCIES

The Canadian dollar is ticking higher at \$0.7683 U.S.

Bitcoin is up 1.1% at \$6,245.

COMMODITIES

West Texas Intermediate is up 1.1% at \$71.75 a barrel (U.S.) as the International Energy Agency says the global oil market is adequately supplied for now.

Gold is holding steady at \$1,222.50 an ounce after its largest percentage jump in two years.

Daily Update

The U.S. cannabis market is expected to surge more than 10-fold by 2029, according to Ackrell Capital.

Halo Labs (NEO:HALO) is already deeply entrenched in the Oregon market, expanding into Nevada and California, and on pace for more than \$60 million in annual revenue.

The company specializes in oils and concentrates, the fastest-growing part of the cannabis sector.

[Watch our interview](#) with the CEO of this newly-public company to find out more.

Also, be sure to see the new ***[Capital Ideas Digest](#)*** where we hi-light research on a **rare earths company with 40% upside**, whose products are used in many different ways to build electric vehicles.

Access, insight and ideas.

Have a great weekend!

Mark Bunting
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