



**INVEST LIKE A PRO, WITH THE PROS!**



Good morning.



Give us 1:16 of your time to hear about our great guests on our [Legalization Live](#) special this **Wednesday, October 17 at 2 pm eastern time.**

We'll talk to the manager of a cannabis fund who'll have plenty of investment ideas, and two notable CEOs.

Please leave your questions for our guests in the comments section.

We'll be updating you with more information about our [Legalization Live](#) special leading up to **Wednesday at 2 pm ET.**

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# Morning Need to Know

Getting you ready for your investing day

October 15, 2018

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Capital Ideas Media

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## CANADIAN ANALYSTS' CALLS

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### INITIATIONS

**Canopy Rivers (TSXV:RIV)** CIBC starts coverage with an "outperformer" rating on the venture capital arm of Canopy Growth (see its deal this morning below) with an \$8 (Canadian) target. The stock closed Friday at \$5.70. CIBC says RIV has an unparalleled management team, a diverse ecosystem of investments, and could see significant growth in its portfolio.

PI Financial begins coverage with a "buy" and a target of \$10, while GMP starts with a "buy" and a target of \$8.

**Village Farms (TSX:VFF)** is a "buy" at GMP and has a target of \$9.50.

**Maverix Metals (TSXV:MMX)** PI Financial starts this one with a "buy" and a price target of \$2.60.

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**Saputo (TSX:SAP)** RBC lowers the price target to \$48 from \$49, which implies 24% upside, and maintains "outperform".

**West Fraser Timber (TSX:WFT)** CIBC is cutting the price targets and earnings estimates on a number of paper and forestry stocks including WFT, which sees its target drop to \$82 from \$97.

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## U.S. ANALYSTS' CALLS

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### INITIATIONS

**Eventbrite (NYSE:EB)** RBC starts coverage with an "outperform" and a target of \$37 (U.S.), giving the stock 32% upside potential. EB is kind of a Shopify for events allowing users to launch, manage and produce a live event.

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**Lululemon (NASDAQ:LULU)** Wedbush upgrades to "outperform" with a target of \$176.

**Activision Blizzard (NASDAQ:ATVI)** Barclays raises the target to \$86 from \$79, saying the company can achieve higher digital revenue with its Call of Duty game in 2019.

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## STOCKS THAT MAY MOVE

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**Canopy Growth (TSX:WEED;NYSE:CGC)** is buying Colorado-based hemp researcher Ebbu for \$425 million (Canadian) in mostly stock and \$25 million in cash. The transaction could be worth \$100 million more if certain scientific-related milestones are met in the two years after the deal closes.

**Valens GroWorks (CSE:VGW)** says Health Canada has granted the company a license to cultivate and produce oil. This is the third cannabis license granted to the company by Health Canada.

**The Green Organic Dutchman (TSX:TGOD)** says Aurora Cannabis, which has invested \$78 million the company, will not exercise its first milestone option to buy an additional 8% in the the firm. Aurora retains the right to buy up to 20% of TGOD's production.

**Canopy Rivers (TSXV:RIV)** says PharmHouse, of which RIV owns 49%, has struck an off-take agreement to supply RIV investment TerrAscend Canada (CSE:TER) with cannabis products from 20% of its 1.3 million square foot greenhouse facility until the end of 2021.

**Timbercreek Financial (TSX:TF)** is raising \$20 million in a private placement at \$9.22 each.

**Harris (NYSE:HRS)** and **L3 Technologies (NYSE:LLL)** are merging in a deal that forms the sixth-largest defence contractor in the U.S. at \$34 billion (U.S.).

**Bank of America (NYSE:BAC)** reported quarterly profit that rose 35% on tax cuts and loan growth.

**Dell Technologies (NYSE:DVMT)** Carl Icahn reports an 8.3% stake and is urging shareholders to reject a buyback tied to Dell's interest in VMware, saying the current price of \$92 should be closer to \$144.

**Apple (NASDAQ:AAPL)** is acquiring music analytics startup Asaii for less than \$100 million, according to Reuters.

**Sears Holdings (NASDAQ:SHLD)** has filed for Chapter 11 bankruptcy as expected and plans



to close 142 more stores.

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

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## MARKETS

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TSX and U.S. equity futures are lower as the Shanghai Composite overnight hit another four-year low, tensions between the U.S. and Saudia Arabia heat up, and earnings start to ramp up.

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## CURRENCIES

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The Canadian dollar is flat at \$0.7681 U.S.

Bitcoin is up 4.8% at \$6,519.

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## COMMODITIES

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West Texas Intermediate is up 0.6% at \$71.80 a barrel (U.S.) as the U.S. and Saudia Arabia rattle their sabres about punishments and retaliations.

Gold continues to get a bid at holding steady at \$1,234.80 an ounce.

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## Daily Update

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To set a reminder for yourself for our **Legalization Live** special show this Wednesday at 2 pm ET, [click here](#).

The U.S. cannabis market is expected to surge

more than 10-fold by 2029, according to Ackrell Capital.

[\*Halo Labs \(NEO:HALO\)\*](#) has already established a foothold in the U.S. cannabis market and is expanding into Nevada and California. The company is on pace for more than \$60 million in annual revenue.

Halo 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.

Tomorrow's [\*Capital Ideas Digest\*](#) will feature a cannabis stock that you'll want to own as recreational cannabis goes legal in Canada.

Access, insight and ideas.

Have a great day!

[\*Mark Bunting\*](#)  
Publisher,  
[\*Capital Ideas Media\*](#)







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