



**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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