



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

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Good morning.



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## **Morning Need to Know**

Getting you ready for your investing day

**October 26, 2018**

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Capital Ideas Media**

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## CANADIAN ANALYSTS' CALLS

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### INITIATIONS

**BSR REIT (TSX:HOM.UN)** RBC starts coverage on this mid-market U.S. sunbelt apartment REIT with an "outperform" and a price target of \$11 (U.S.), giving the units a projected 12-month return of 32%. BSR pays a distribution yield of 5.7%.

**Wajax (TSX:WJX)** RBC begins coverage with an "outperform" and a target of \$29 (Canadian), giving the stock 39% upside.

**Resverlogix (TSX:RVX)** Roth Capital Partners starts coverage with a "buy" and a target of \$10.

**Aecon (TSX:ARE)**. Contributor *Fabrice Taylor* has liked this engineering and construction company for several months, and we had it as a turnaround idea in late May. ARE is higher by nearly 22% since then and RBC sees another 13% upside as it moves its target up to \$20 from \$18 and maintains a "sector perform" rating. **Alta Corp.** upgrades to "outperform" with a target of \$20.50.

**Methanex (TSX:MX;NASDAQ:MEOH)** Tudor Pickering upgrades to "buy" with a target of \$84.

**Sleep Country Canada (TSX:ZZZ)** RBC still sees 48% upside as it reduces the target to \$39 from \$43 and maintains an "outperform".  
**Raymond James** lowers the target to \$35 from \$39, hikes the EPS estimates through 2020 and maintains "outperform".

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## U.S. ANALYSTS' CALLS

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**Upwork (NASDAQ:UPWK)** RBC starts with an "outperform" and a target of \$24 (U.S.), implying 28% upside.

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**Ford Motor (NYSE:F)** Goldman Sachs upgrades to a "buy" with a target of \$12, meaning 40% upside, as the company's restructuring takes hold.

**Anheuser-Busch InBev (NYSE:BUD)** RBC upgrades to "outperform", while lowering the price target giving the shares 16% upside, saying the stock is currently oversold.

**Chipotle Mexican Grill (NYSE:CMG)** Barclays

hikes the target to \$400 from \$360 on the company's new initiatives which it expects to help drive customer traffic.

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## STOCKS THAT MAY MOVE

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**Red Hat (NYSE:RHT)** Sleepy, old **IBM (NYSE:IBM)** pulled off a blockbuster over the weekend striking the largest software deal in history by buying Red Hat for \$34 billion in cash at a 63% premium.

**Patriot One Technologies (TSXV:PAT)** is raising \$40 million in a bought-deal financing with a syndicate of underwriters led by Canaccord Genuity, which will purchase 16 million units at \$2.50 each.

**CannTrust Holdings (TSX:TRST)** is investing about \$6 million Canadian for a nearly 20% stake in licensed producer Cannatrek of Australia.

**FSD Pharma (CSE:HUGE)** has appointed Dr. Raza Bokhari as interim CEO and co-chairman, replacing Thomas Fairfull, who will keep his role as president and CEO FV Pharma Inc., the company's subsidiary and licensed producer.

**HSBC (NYSE:HSBC)** posted a surprisingly strong quarter with profit rising 28% from last year.

## **MARKETS**

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**TSX and U.S. equity futures** are pointing to a higher opening after a volatile losing week for stocks.

**European stock indices** are higher after debt rating agency S&P did not downgrade Italy's debt.

**The Shanghai Composite** fell 2.2% in overnight trading as profits from China's industrial companies generally fell for a fifth straight month.

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## **CURRENCIES**

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**The Canadian dollar** is flat at \$0.7631.

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## **COMMODITIES**

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**West Texas Intermediate** is down 0.4% to \$67.31 a barrel (U.S.) with crude seeing its weakest month since July of 2016.

**Gold** is down by 0.2% at \$1,233.10 an ounce.

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## **Daily Update**

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Tomorrow's new Capital Ideas Digest will have research on a safety stock and two micro-caps who have partnerships with a tech heavyweight.

Also this week, we'll post two new CEO interviews and a new podcast or two.

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Access, insight and ideas.

Have a great day!

**Mark Bunting**  
Publisher,  
**Capital Ideas Media**



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