



INVEST LIKE A PRO, WITH THE PROS!





Congratulations to *Ed Sollbach* of the Spartan MM Fund for winning a Lipper Award for having his fund outperform all of its Canadian peers the last three years.

Find out about his "core and more" strategy in [our interview](#) from Episode 16, last October. Scroll to 18:05.

Ed's ideas that day were **Stars Group (TSX:TSGI;NASDAQ:TSG)**, which nearly doubled before falling back, **Dream Global REIT (TSX:DRG.UN)**, which is nicely higher, and **CanWel Building Materials (TSX:CWX)**, which hasn't fared as well.

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We'll have a new CEO video interview for you on Monday.

Morning Need to Know

Getting you ready for your investing day

November 9, 2018

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Capital Ideas Media



CANADIAN ANALYSTS' CALLS

goeasy (TSX:GSY). *"A rare fumble from a solid company"* is how Desjardins describes the alternative lender's quarter, which saw some *"credit deterioration in the portfolio"*. The analyst reduces the target to \$53 (Canadian) from \$58 and maintains "buy".

Raymond James maintains "outperform" and a target of \$65 but removes GSY from its Canadian Analyst Current Favourite list.

goeasy announced a share buyback equal to 5% of the shares because it believes its stock is undervalued.

We first mentioned GSY (under my watch)

in late June of 2017. The stock rose about 75% after that and is still higher by about 37% since then.

Industrial Alliance Insurance (TSX:IAG) RBC upgrades to "outperform" and keeps the target at \$66, which implies 40% upside, after the company's earnings results.

Andrew Peller (TSX:ADW) raised to "buy" at Echelon Wealth with a target of \$19.

Brookfield Asset Management (TSX:BAM.A;NYSE:BAM)
Credit Suisse raises to "outperform".

Cervus Equipment (TSX:CERV) Raymond James upgrades to "outperform" and boosts the target to \$19.50 from \$16.50.

Precision Drilling (TSX:PD) Canaccord Genuity upgrades to "buy" with a target of \$4.75.

Calfrac Well Services (TSX:CFW) RBC lifts the target to \$9 from \$8, projecting a 122% return, and maintains "outperform", saying this is the oilfield services stock brave investors should own because of its exposure to the U.S., and to a lesser degree, Argentina and Russia.

Canadian Tire (TSX:CTC.A) RBC boosts the target to \$201 from \$197, indicating a 37% gain, and maintains "outperform" after the retailer's "*much-better-than-expected*"

earnings results.

Bombardier (TSX:BBD.B). Most analysts remain positive on the transport manufacturer after yesterday's 24% drop following \$900 million in assets sales amid concerns of a cash flow crunch. Desjardins lowers the target to \$5 from \$6 and maintains "buy" saying the stock is *"an attractive buying opportunity for long-term investors"*.

Raymond James moves the target to \$6 from \$5.25 and maintains "outperform".



U.S. ANALYSTS' CALLS

Discovery (NASDAQ:DISCA) RBC lifts the target to \$42 (U.S.) from \$38, implying 27% upside, and maintains "outperform".

TripAdvisor (NASDAQ:TRIP) Ascendant Capital hikes the target to \$77 from \$56 citing the company's long-term investment plan.

General Electric (NYSE:GE) is down 3% in pre-market after J.P. Morgan cut its target to \$6 from \$10.

STOCKS THAT MAY MOVE

TransCanada (TSX:TRP) A federal judge in Montana has blocked construction of the KeyStone XL pipeline on grounds the U.S. government did not complete a full analysis of the impact of the project on the environment and Native American land.

Hudson's Bay (TSX:HBC). Germany's anti-trust regulator has approved the company's merger of the Kaufhof and Karstadt retail chains.

Finisar (NASDAQ:FNSR), which supplies Apple, is being bought by the oddly named II-VI for \$3.2 billion.

SkyWorks Solutions (NASDAQ:SWKS). Speaking of Apple suppliers, this company gave a forecast that is below estimates leading to concerns about a slowdown in demand for premium smartphones.

Procter & Gamble (NYSE:PG) is making its largest organizational change in 20 years by restructuring into six separate business divisions each with its own CEO, effective next July.

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

MARKETS

Stocks have started lower with European indices down and Asian indices falling in

overnight trading.

In economic data, U.S. wholesale prices in October rose the most in six years.

CURRENCIES

The Canadian dollar is lower 0.2% at \$0.7584.

COMMODITIES

West Texas Intermediate has fallen below the \$60 a barrel threshold into bear market territory and is on pace for its longest losing streak on record, lower for a 10th session, ahead of an OPEC meeting this weekend, in which a production cut is expected to be discussed.

Gold is down 1% to \$1,211.90 an ounce.

Access, insight and ideas.

Have a great weekend!

Mark Bunting

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