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# Morning Need to Know

Getting you ready for your investing day

February 14, 2019

Written & compiled by Mark Bunting, Publisher,  
Capital Ideas Media

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## CANADIAN ANALYSTS' CALLS

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### INITIATIONS

**Axion Ventures (TSXV:AXV)** Haywood Securities starts coverage on the video game maker, which has partnered with **Tencent (OTC:TCEHY)**, with a "buy" and a target of \$1.60 (Canadian), implying 52% upside. Haywood says the risk factor on this stock is "very high".

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**Descartes Systems Group (TSX:DRG)**. CIBC lifts the target to \$40 (U.S.) from \$37 and reiterates "outperformer".

**Dundee Precious Metals (TSX:DPM)**. Beacon Securities raises the price target to \$6.65 (Canadian) from \$6.35, implying 58% upside, and maintains "buy" rating.

### **TMX Group (TSX:X)**

RBC ups the target to \$93 from \$89 saying the company could achieve double digit earnings growth the next few years.

**Dream Industrial REIT (TSX:DIR.UN)**. CIBC moves the target to \$11 from \$10.75 and reiterates "outperformer".

**Killam Properties (TSX:KMP.UN)**. CIBC inches the target higher to \$19 from \$18.50 and reiterates "outperformer".

**SmartCentres REIT (TSX:SRU.UN)**. CIBC raises the target to \$36 from \$34 and reiterates "outperformer".

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## **U.S. ANALYSTS' CALLS**

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**Cisco Systems (NASDAQ:CSCO)** RBC raises the target to \$58 (U.S.) from \$52 following the company's solid earnings report.

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## **STOCKS THAT MAY MOVE**

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**Canaccord Genuity Group (TSX:CF)** has bought Petsky Prunier for \$40 million in cash and \$20 million in common shares to be issued over three years.

Canaccord said it also could pay as much as \$53.2 million in cash over a four-year period to the mergers and acquisitions advisory firm, based on certain revenue targets being met.

**Tucows (TSX:TC;NASDAQ:TCX)** announced a \$40 million stock buyback program as it said revenue and earnings were lower in its most recent quarter.

**Canada Goose (TSX:GOOS)** shares are higher in pre-market trading as the luxury parka maker handily beat analysts estimates with its quarterly earnings rising 64% and revenue jumping 50% from last year.

GOOS also said it's building a new factory in Montreal, which is expected to create 650 new jobs.

**TransCanada (TSX:TRP)** beat EPS estimates and is raising its quarterly dividend to 75 cents a share from 69 cents.

**Bombardier (TSX:BBD.B)** beat quarterly earnings estimates as costs fell and the company saw higher sales at its business jet division.

The Caisse de Depot pension fund

will increase its stake in the company by 2.5% to 30%.

**Canadian Tire (TSX:CTC)** had a stronger than expected Q4 partly on solid sales of toys and electronics although net income fell slightly.

**Precision Drilling (TSX:PD)** announced a wider quarterly loss than last year due to a \$208 million goodwill impairment charge.

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## MARKETS

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The TSX and U.S. equity futures are indicating a lower open as **U.S. retail sales** in December unexpectedly dropped 1.2%, the largest decline since March 2009.

**U.S. and China** trade talks are moving to a higher level with U.S. President Donald Trump reportedly considering a 60-day delay to the March 1 deadline to raise tariffs on Chinese imports.

**Chinese exports** in January jumped 9.1% versus the decline expected. And the drop of 1.5% in imports was far less than anticipated.

**European stock indices** are mostly higher.

**Japan's Nikkei** finished unchanged overnight, the Shanghai Composite Index ended down 0.5%, and Hong Kong's Hang Seng was

lower by 0.2%.

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## CURRENCIES

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The Canadian dollar is off 0.4% at \$0.7515 (U.S) as Canadian factory sales in December fell 1.3% versus the expected rise of 0.5%.

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## COMMODITIES

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West Texas Intermediate continues its strength higher by 0.4% to \$54.11 a barrel partly on reports Saudi Arabia has cut production more than expected.

Gold is down 0.2% to \$1,313.10 an ounce.

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## Daily update

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A reminder to check out the new [Capital Ideas Digest](#) for:

**10 Dividend All-Stars for 2019.**

The company ideas are all presented in neat one-page summaries.

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*Dr. Zaki Rakib* is featured in our [new interview](#).

He's the founder and CEO of **Canna-V-Cell Sciences (CSE:CNVC)**.

This company is developing patented bio farming technology to make cannabis powder at a fraction of the cost of traditional methods.

Canna-V-Cell plans to be selling its products to consumer-facing customers in 2020.

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Please email questions, comments or concerns to:

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