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CAPITAL  MEDIA

PAUL BEATTIE
VALUE STOCK IDEAS

LIVE STREAM
WED, FEB 20TH @ 2PM ET



If you've got some time **today at 2 pm eastern**, head to Capital Ideas TV on YouTube and watch our:

Live show with *Paul Beattie*, co-founder of the **BT Global Growth Fund**.

He's got **Five Value Top Picks** for you, he'll tell you how he's managed to consistently beat the market since 2006, and he'll take your questions, which you can send to this address:

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Our **new Digest** features **Nine Top-Ranked Canadian REITS**, and opinion on why it's too early to buy U.S. cannabis stocks.

And we've posted the podcast version of our live show with Bruce Campbell.

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Morning Need to Know

Getting you ready for your investing day

February 20, 2019

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Capital Ideas Media



CANADIAN ANALYSTS' CALLS

INITIATIONS

Southern Energy (TSXV:SOU). Haywood Securities starts coverage with a "buy" and a price target of \$25 (Canadian), saying the company, which focuses on the Southeastern U.S. and has a market cap of \$21 million, is:

"...ticking the boxes for energy investors amid

uncertain times.”

Haywood goes on to say:

...“we see the current levels providing an attractive ground-floor entry point into this new and unique investment opportunity.”

Ascot Resources (TSXV:AOT). Macquarie begins coverage with an “outperform” and a \$2 target.

Tervita (TSX:TEV). BMO Nesbitt Burns starts with a “market perform” and \$7.50 target.

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Sandstorm Gold (TSX:SSL). National Bank moves the price target to \$8.50 from \$8 citing the company's strong growth and positive cash flow, which should lead to share buybacks and acquisitions.

Fortis (TSX:FTS). RBC hikes the price target to \$53 from \$50, saying the stock is a solid defensive investment, and that the company should outperform its peers.

Mercer Int'l (NASDAQ:MERC). CIBC raises the price target to \$19 (U.S.) from \$17 and reiterates its "outperformer" rating, saying the company remains its **Top Pick in forestry**.



U.S. ANALYSTS' CALLS

Palo Alto Networks (NASDAQ: PANW) gets its target raised by Oppenheimer to \$270 (U.S.) from \$250.

Duke Energy (NYSE: DUK). JP Morgan lifts the target to \$91 from \$87 on the company's above average growth rate compared to peers.

STOCKS THAT MAY MOVE

Stelco Holdings (TSX: STLC) announced a special cash dividend of \$100 million (\$1.13 per share), on top of its regular quarterly dividend of 10 cents per share.

The company also said Q4 revenue was \$648 million, up 43% from last year but below expectations of \$680.5 million. Net income came in at \$108 million compared to \$16 million a year ago.

Sneak peek: Paul Beattie will be talking about Stelco in our [*live show today*](#).

Tilray (NASDAQ: TLR) is buying hemp food company Manitoba Harvest, for about \$400 million in cash and shares, as both

firms look to tap the emerging cannabidiol (CBD) market in the U.S.

Tilray will pay Manitoba Harvest's owners \$150 million in cash and \$127.5 million worth of shares, and \$50 million in cash and \$42.5 million in shares six months after the deal closes.

Tilray may pay an additional \$49 million in shares if certain milestones are met.

Aurora Cannabis (TSX:ACB). The company has named chairman Michael Singer as executive chairman as part of a broader board shuffle.

Aritzia (TSX:ATZ) announced a \$330 million secondary offering of subordinate voting shares that a syndicate of underwriters will buy at \$16.90 a share. The stock closed at \$17.93 on Tuesday.

At the same time, Aritzia is buying out long-time shareholders Berkshire Partners at the same price for \$107 million.

Aritzia CEO and founder Brian Hill said the transactions *"mark a significant milestone after a successful 14 year-long relationship between Aritzia and Berkshire Partners."*

Savaria (TSX:SIS) said it expects Q4 revenue of

about \$93 million, ahead of expectations of \$90.6 million, while adjusted EBITDA is expected to be in line with estimates at about \$13 million.

Barrick Gold (TSX:ABX) has brokered a deal between its Acacia unit and the Tanzanian government which includes a \$300 million payment to settle a tax dispute.

Southwest Airlines (NYSE:BLU) has cut its forecast for Q1 revenue due to weak demand and an expected \$60 million hit related to the U.S. government shutdown, well above its initial estimate of \$10-\$15 million.

Tesla (NASDAQ:TSLA). The turnstile continues to rotate at the electric vehicle maker with the company's general counsel heading out the door after just two months on the job.

Lloyd's (NYSE:LYG) has announced \$4 billion pounds in dividends and share buybacks after saying net profit in 2018 rose 24%, slightly missing estimates.

Wal-Mart (NYSE:WMT). The retail giant's deal to sell its UK business Asda to Sainsbury for \$9.5 billion is in jeopardy as the UK competition regulator says it's unlikely the two sides will be able to address its "extensive" concerns about the deal.

MARKETS

The TSX and U.S. equity futures are mixed as investors eye earnings reports, any progress in the ongoing U.S. and China trade talks.

European stock indices are showing modest gains, and overnight Asia's major indices finished higher.

In economic data, Japan's exports in January dropped 13% and the country posted its highest trade deficit in 13 years.

CURRENCIES

The Canadian dollar is up 0.3% at \$0.7590 (U.S).

COMMODITIES

West Texas Intermediate is down by 1% to \$55.92 a barrel

Gold is up a bit to \$1,345.70 an ounce.

Palladium broke through \$1,500 an ounce for the first time as a supply deficit continues.

Please email questions, comments or concerns to:

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Access, ideas and insight.

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