

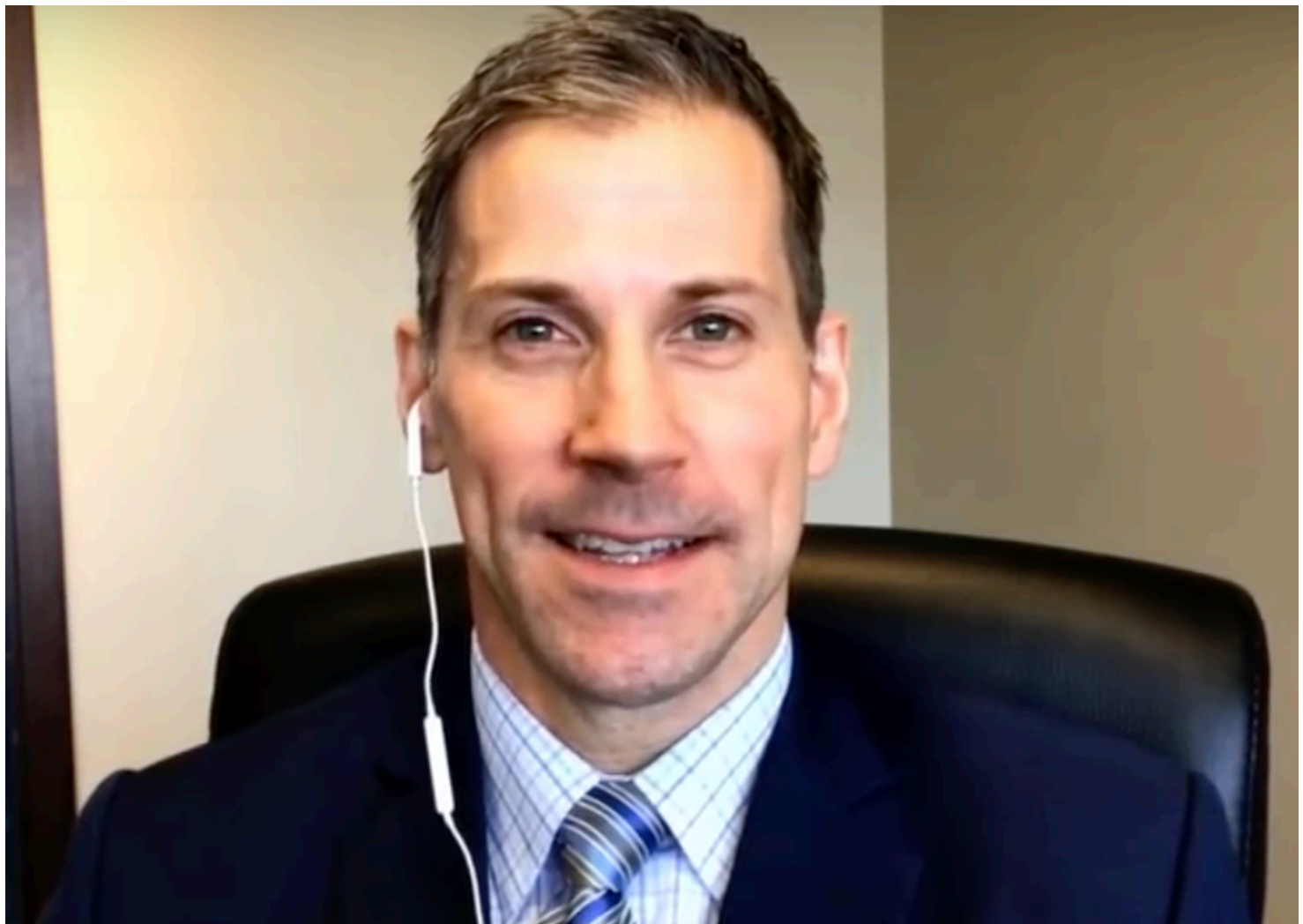


INVEST LIKE A PRO, WITH THE PROS!



Guess who's got the best-performing small-to-mid-cap equity mutual fund so far this year?

This guy.



Bruce Campbell's Redwood Equity Growth fund is higher by more than 15% in 2018.

Find out how's he's doing it in a [*Capital Ideas TV*](#) live stream episode next **Thursday, February 14** at **2 pm eastern time**.

We'll give you more details as the event gets closer.

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Morning Need to Know

Getting you ready for your investing day

February 7, 2019

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Capital Ideas Media



CANADIAN ANALYSTS' CALLS

INITIATIONS

Valens GroWorks (CSE:VGW). Haywood Securities starts coverage on Valens, [whose CEO we featured](#) on October 17 of last year (starts at 28:00), with a "buy" and a target of \$5.25 (Canadian), saying the company is positioned to be a "leader in the cannabis extraction services market."

Ag Growth Int'l (TSX:AFN) Desjardins

Securities starts coverage with a "buy" and sets a price target of \$62, which implies 22% upside including the 4.5% dividend yield.

Standard Lithium (TSXV:SSL). HC Wainwright begins coverage with a "buy" and a target of \$3.20.

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Cronos Group (TSX:CRON;NASDAQ:CRON) has been downgraded to "hold" by GMP and the target stays at \$24 solely due to valuation as shares in the cannabis producer have more than doubled this year.

Gluskin Sheff & Associates (TSX:GS) is "*too cheap to ignore*", according to Desjardins Securities, which upgrades the investment manager to "buy" and keeps the target at \$12.

Suncor (TSX:SU) gets upgraded to "outperform" by Macquarie with the target getting moved to \$50 from \$39.

StorageVault Canada (TSXV:SVI). Cormark Securities moves the target to \$3.50 from \$3.40 and maintains "buy" after the company bought Real Storage for \$275 million. The stock closed at \$2.85.

Intact Financial (TSX:IFC). CIBC raises the target to \$120 from \$115, moves the

earnings estimates higher, and maintains a "neutral" after the company's earnings results.

Cormark hikes the target to \$121 from \$117 and maintains "buy".



U.S. ANALYSTS' CALLS

Cognizant Technology (NASDAQ:CTSH).

Morgan Stanley ups the target to \$85 (U.S.) from \$80 after the company's earnings results and the appointment of a new CEO.

Chipotle Mexican Grill (NYSE:CMG). Mizuho raises the target to \$420 from \$400 following earnings results. See below for more.

STOCKS THAT MAY MOVE

FSD Pharma (CSE:HUGE) and **Auxly Cannabis Group (TSXV:XLY)** have terminated their joint venture to develop a portion of FSD's cannabis cultivation facility in Cobourg, Ontario. Auxly says:

“In the course of the company’s efforts to advance the JV facility development, it identified contractual breaches relating to FSD Pharma’s management and staffing obligations of the JV

Facility, as well as significant concerns regarding certain aspects of the buildings' infrastructure...

...On January 17, 2019, the company provided notice to FSD Pharma of such breaches in the hopes that FSD Pharma would work with the company toward a resolution. To the company's disappointment, FSD Pharma failed to remedy its breaches and instead purported to terminate the agreement... "

Capital Ideas contributor Fabrice Taylor recommended HUGE [*in a video*](#) in June of 2018 when the stock was trading at \$0.17 a share. It eventually surged to about \$0.85 a share and closed Wednesday at \$0.33.5.

AutoCanada (TSX:ACQ) has sued founder and former CEO Patrick Priestner for breach of duty after allegedly making... "*intentionally false or misleading*" statements in order to buy auto dealerships at... "*favourable location[s], value and earnings potential.*"

AutoCanada also claims, ... "*Priestner used and misrepresented existing ... policies or positions to the board so as to justify the expansion of his private dealership network for his own personal gain.*"

The company is seeking damages of \$250 million and an option to buy all dealerships acquired by Mr. Priestner during his time at the company.

BCE (TSX:BCE) beat estimates with its earnings on strength in its wireless sector and it raised its dividend.

Nutrien (TSX:NTR) issued a revenue forecast below estimates citing pressure on crop prices and the U.S. and China trade dispute.

BB&T (NYSE:BBT) and **SunTrust Banks (NYSE:STI)**.

The biggest U.S. banking deal since the financial crisis today as BB&T buys SunTrust Banks in an all stock transaction the companies are calling a merger of equals worth about \$66 billion, which creates the sixth-largest lender in the country combining more than a \$1 trillion in assets, loans and deposits.

RBC (TSX:RBC) was the sole investment bank adviser to BB&T on the deal, it's largest M&A sole adviser role to date, according to Dealogic and Financial News.

Chipotle Mexican Grill (NYSE:CMG) handily beat earnings and same-store sales estimates thanks to menu changes, online sales growth and marketing.

GoPro (NASDAQ:GPRO) swung to its first profit in five quarters on cost cutting and demand for its newest cameras.

Match Group (NASDAQ:MTCH) also moved to a profit after a loss last year as its dating app Tinder added 233,000 subscribers in the quarter bringing the total user base to 4.3 million. But the company's revenue forecast was below estimates.

Twitter (NYSE:TWTR) is down in pre-market trading after the company issued a Q1 revenue forecast below estimates and said the amount of users on the service declined in Q4, although earnings rose 24% and revenue was ahead of expectations.

MARKETS

The TSX and U.S. equity futures are lower after the European Commission cuts its eurozone growth forecast for this year to 1.3% from 1.9% last year citing global trade tensions.

CURRENCIES

The Canadian dollar is off 0.4% at \$0.7538 (U.S).

COMMODITIES

West Texas Intermediate is down 0.9% at \$53.52 a barrel.

Gold is drifting lower at \$1,313.30 an ounce.

Please email questions, comments or concerns to:

customercare@capitalideasresearch.com

Daily update



Revenue and EBITDA are gaining steam for our cover story idea in the latest [Capital Ideas Digest](#).

This technology company has returned to the kind of growth that could propel the stock to an 80% gain.

Access, ideas and insight.

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Publisher,

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