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Morning Need to Know

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



CANADIAN ANALYSTS' CALLS

INITIATIONS

Cannabis stocks. Jefferies starts coverage on the sector with a bullish view expecting further consolidation and more consumer goods companies to take positions in various companies.

Jefferies begins with "buy" ratings on the following stocks:

Aurora Cannabis (TSX:ACB). \$12 (Canadian) target price.

Green Organic Dutchman Holdings (TSX:TGOD). \$6.10 target.

CannTrust Holdings (TSX:TRST). \$15 target.

OrganiGram Holdings (TSXV:OGI). \$10 target.

Flowr (CSE:FLWR). \$5.70 target.

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Pinnacle Renewable Energy (TSX:PL) raised to "outperform" and the target moved to \$15.50 from \$13.50 at National Bank on record production from its legacy facilities.

Saputo (TSX:SAP) gets its target hiked to \$46 from \$44 on the company's plans to buy Dairy Crest for \$1.7 billion. Desjardins lifts the target to \$47 and maintains "buy".

Magna Int'l (TSX:MG;NYSE:MGA). CIBC moves the target to \$63 (U.S.) from \$60, raises its EPS estimates and reiterates an "outperformer" rating. JP Morgan cuts to "underweight".

Northland Power (TSX:NPI). CIBC lifts the target to \$26.50 (Canadian) from \$26, raises its EBITDA estimates and maintains an "outperformer".



U.S. ANALYSTS' CALLS

INITIATIONS

New Fortress Energy (NASDAQ:NFE). Morgan Stanley starts the LNG company with an "overweight" and a target of \$19 (U.S.), while Citi begins with a "buy" and a target of \$14.

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Wayfair (NYSE:W). Credit Suisse hikes the target to \$192 from \$130 on solid revenue and gross margins growth.

STOCKS THAT MAY MOVE

Barrick Gold (TSX:ABX;NYSE:ABX) is bidding nearly \$18 billion (Canadian) in stock to buy about 56% of rival **Newmont Mining (NYSE:NEM)** in a hostile offer that values Newmont at \$33 a share. Barrick's U.S.-listed shares are down about 13% in pre-market trading.

Cannex Capital (CSE:CNNX) is buying Pure Ratios Holdings for \$8 million (U.S.) in cash, stock and assumed debt.

Capital Ideas interviewed Cannex's CEO in August of last year when the stock was trading at \$0.88. It closed Friday at \$1.19.

Theratechnologies (TSX:TH) is buying Katana Biopharma for nearly \$7 million (Canadian).

Liberty Health Sciences (CSE:LHS) said its CEO and CFO are stepping down with the CEO's role to be assumed by the company's president.

The company said the moves are part of a plan to *"work towards enhancing its directors and senior executives based in the United States, to*

more closely align with the U.S. geographical focus of the business."

Copper Mountain Mining (TSX:CMMC)

announced a new integrated life of mine production plan for its mine in B.C. that include a more than 100% increase in mineral reserves, a 27% increase in average annual copper production over the first 10 years, and a 12-year extension in mine life to 26 years.

goeasy (TSX:GSY) said the TSX has approved its plan to increase its share buyback to 8% of its public float from 5%.

General Electric (NYSE:GE) is selling its biopharma business to **Danaher (NYSE:DHR)** for \$21.4 billion (U.S.). GE shares are higher by about 15%. Danaher is up 7%.

Spark Therapeutics (NASDAQ:ONCE) is being bought by Roche for \$4.3 billion, or \$114.50 a share, more than double the stock's Friday closing price.

Kraft Heinz (NYSE:KHC) is looking to sell its Maxwell House coffee business, which could be valued at as much as \$3 billion. The company's shares fell more than 27% Friday on a quarterly loss, a massive write down, an SEC investigation and dividend cut.

Caesars Entertainment (NYSE:CZR) has agreed

to allow activist investor Carl Icahn have a say in selecting the company's new CEO and allow him to appoint some board members, according to Reuters.

MARKETS

The TSX and U.S. equity futures are higher as U.S. President Donald Trump says he'll delay raising tariffs on Chinese goods because "*substantial progress*" has been made in trade talks.

European stock indices are mostly higher and China's CSI 300 index was higher by 6% on the Trump comments, the largest daily gain since July of 2015.

CURRENCIES

The Canadian dollar is down slightly at \$0.7605 (U.S.).

COMMODITIES

West Texas Intermediate is down by 2.2% to \$56 a barrel.

Gold is flat \$1,332.90 an ounce.

Daily Update



Paul Beattie of the BT Global Growth hedge fund gave plenty of valuable investor information in our live show last week.

Watch the replay for Beattie's **Five Top Picks**, his cash flow-focused criteria for picking stocks, and how you can profit from the inefficient Canadian stock market – with **Stelco**, being a great example.

Please email questions, comments or concerns to:

[*customercare@capitalideasresearch.com*](mailto:customercare@capitalideasresearch.com)

Access, ideas and insight.

[**Mark Bunting**](#)

Publisher, Capital Ideas Media

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