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## **Morning Need to Know**

Getting you ready for your investing day

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Capital Ideas Media**

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## CANADIAN ANALYSTS' CALLS

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### 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".

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## U.S. ANALYSTS' CALLS

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### 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.

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## STOCKS THAT MAY MOVE

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**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.

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## MARKETS

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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.

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## CURRENCIES

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

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## COMMODITIES

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

Gold is flat \$1,332.90 an ounce.

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## Daily Update

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*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.

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Access, ideas and insight.

[\*\*Mark Bunting\*\*](#)

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