



**INVEST LIKE A PRO, WITH THE PROS!**



Today's new *Capital Ideas Digest* will feature an **incredibly consistent company** whose shares can keep moving up and to the right, after the **stock propelled higher by 4,600%+ in the past 10 years.**

We'll also have **analysts' initiations on three stocks** from three different sectors – health care, software and mining – with **upside potential of between 60% and 140%.**

Look for the new **Digest today at 7 pm eastern time.**

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This entrepreneur and his team have developed

a transparent, seamless and fast home buying process that shortens the sales cycle for home builders and home buyers.

[See our interview](#) with *Yanky Li*, co-founder and President of *OpenHouse*, as part of our entrepreneur and startup series from Dx3 Canada.

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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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**OnSoft Solutions (TSXV:OSS)**. Beacon Securities reiterates a "speculative buy" and a price target of \$1.75 (Canadian), implying a **99% projected return** over the next 12 months, after the company said **revenue surged 330%** and it

turned a profit in the ten months ended last December. OSS changed its financial year-end from February.

The company also announced a new contract with what Beacon believes to be a Fortune 500 pipeline operator.

### **Macro Enterprises (TSX:MCR).**

Cormark Securities moves the target to \$5 from \$4.50 and maintains a "buy" rating after the company released its quarterly earnings results. The stock closed Monday at \$3.70.

**TransAlta (TSX:TA).** Industrial Alliance Securities raises the target to \$12 from \$9 and maintains a "buy", and RBC moves the target to \$11 from \$9 after Brookfield Renewable's \$750 million investment in the company. Also, the company is facing a proxy fight as Mangrove pushes for changes to the board.

**Kinaxis (TSX:KXS).** Following the company's investor day, CIBC reiterates an "outperformer" rating and a price target of \$89. The stock closed Monday at \$78.49. CIBC says the company's:

*... "low-to mid-20% subscription revenue growth and EBITDA margin guidance are in line with the profitable software as a service (SaaS) peers, but the stock trades at a significant discount. We view the stock as attractive at current levels, trading at 6.8x (2020 estimated) sales and 23x EV/(2020*

*estimated EBITDA) vs. profitable SaaS peers at 9.7x and 32.9x."*

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## U.S. ANALYSTS' CALLS

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### INITIATIONS

**Nvidia (NASDAQ:NVDA)**. Piper Jaffray starts coverage with an "overweight" and a price target to \$200 (U.S.), saying it sees "*significant profit margin expansion*" over the next several quarters for the chip maker.

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**Bed Bath & Beyond (NASDAQ:BBBY)** is higher by nearly 20% in pre-market trading as three activist investor groups, controlling about 5% of the shares, have vowed to get rid of the company's entire board. Raymond James has upgraded the stock to "buy".

**Apple (NASDAQ:AAPL)**. Canaccord Genuity raises the target to \$230 from \$185 and maintains a "buy" after the company announced a range of new services including Apple TV+.

**Merck (NYSE:MRK)**. JP Morgan lifts the target

to \$85 from \$80.

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## STOCKS THAT MAY MOVE

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**WPT Industrial REIT (TSX:WIR.UN)** is buying 13 industrial buildings and three land parcels in multiple markets in the U.S. for about \$226 million.

The REIT also said its lenders have agreed to amend and extend the credit facility, increasing availability from \$300 million to \$450 million, and maintaining an additional \$300 million accordion feature.

**RNC Minerals (TSX:RNX)** has arranged a purchase option agreement with Westgold Resources for its Higginsville Gold Operation for \$50 million (Australian).

The company also announced a \$12 million (Canadian) bought-deal financing whereby underwriters will buy 24 million common shares at 49 cents each. The stock closed at 59 cents on Monday.

**Stuart Olson (TSX:SOX)** has been awarded about \$120 million in new contracts across different divisions.

**SNC-Lavalin (TSX:SNC)**. Chile's state miner Codelco has terminated a \$260 million (U.S.) contract with the company after a "serious

*breach of contractual milestones". SNC says it's "appalled and surprised" by the move.*

**New Flyer Group (TSX:NFI)** has won a contract from New York City Transit (NYCT) for 15 low-floor, 60-foot Xcelsior Charge battery-electric, zero-emission, heavy-duty transit buses. NFI Group said it has delivered more than 2,500 buses to NYCT.

**Enbridge (TSX:ENB)** is buying Kinder Morgan's stake in a proposed U.S. Gulf Coast deepwater crude export venture.

**Neptune Wellness**

**Solutions (TSX:NEPT;NASDAQ:NEPT)**

said it will appeal a ruling by a Superior Court of Québec, which ruled in favour of a former CEO, and rejected the company's counterclaim regarding certain royalty payments.

**McDonald's (NYSE:MCD)** is buying Dynamic Yield of Israel for about \$300 million, which will help the fast-food giant update their digital Drive Thru menu displays.

**Spotify (NYSE:SPOT)** is buying Parcast for an undisclosed amount, the company's third purchase of a podcast company in two months.

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## **MARKETS**

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**The TSX and U.S. stock futures** are indicating a

positive open.

**European stock indices** are posting modest gains as Britain's Parliament tomorrow will vote on a series of possible options to Brexit as Prime Minister Theresa May appears to be losing control of the agenda.

Overnight, Japan's **Nikkei** jumped 2.1% after recording its biggest drop since late December on Monday, Hong Kong's **Hang Seng** gained 0.2% while **China's CSI300** index dropped more than 1 per%.

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## **CURRENCIES**

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The Canadian dollar is drifting lower at \$0.7457 (U.S.).

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## **COMMODITIES**

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West Texas Intermediate is up by 1.75% to \$59.85 a barrel.

Gold is down 0.6% at \$1,315.20 an ounce.

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## **Daily Update**

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*Morgidge* is a startup company using technology to modernize the mortgage process for brokers, agents, realtors and clients.

[Watch our interview](#) with Morgidge co-founder and CEO, *Muhammad Rashid*, in our entrepreneur and startup series from Dx3 Canada.



*Mabel Lee's* luxury beauty product went viral after *Beyonce* started using it. Her company has a deal with a major global brand and is expanding its product line.

Watch our [\*interview\*](#) in our entrepreneur and startup series from *Dx3 Canada*.

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Access, ideas and insight.

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