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Canadian companies, small and large, are eligible for government tax incentives, especially startups.

Dharmesh Ghandi, a partner at *EY*, helps companies navigate that world.

Find out how in the [*latest interview*](#) from our entrepreneur and startup series from *DX3 Canada*.

Morning Need to Know

Getting you ready for your investing day

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Capital Ideas Media



CANADIAN ANALYSTS' CALLS

INITIATIONS

Green Growth Brands (CSE:GGB). Paradigm Capital starts coverage with a "buy" on the U.S.-based cannabis operator and does not specify a price target. Analysts consensus target is \$8.50.

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**Descartes Systems Group
(TSX:DSG;NASDAQ:DSGX).**

CIBC thinks investors should take a pause on Descartes after the company's stock spiked to an

all-time high and jumped more than 50% since our cover story several months ago.

The analyst lowers the rating to "neutral", keeps the price target at \$41 (U.S.), and cites valuation and a slowing global economy.

VersaPay (TSXV:VPY) gets upgraded by Raymond James to "strong buy" with the target being kept at \$3.30 (Canadian).

Crescent Point Energy (TSX:CPG). Macquarie upgrades to "outperform" and lifts the target to \$6.50 from \$5.50.

First Quantum (TSX:FM). Goldman Sachs upgrades to "buy" and boosts the target to \$20 from \$15.

Lundin Mining (TSX:LUN) gets upgraded by Goldman to "buy" with the target moving to \$8.25 from \$7.25.

Shaw Communications (TSX:SJR.B). Cormark Securities raises the target to \$32 from \$31 and maintains "buy" after the company's earnings release.

CanWel Building Materials (TSX:CWX). CIBC boosts the target to \$5.50 from \$5.25.

Stella-Jones (TSX:SJ). CIBC boosts the target to

\$51 from \$47 and raises its 2020 EPS estimate.

Resolute Forest Products (TSX:RFP). CIBC takes the target to \$12 (U.S.) from \$11, increases the 2020 EPS estimate and lowers the 2019 EPS estimate.

Cogeco Inc. (TSX:CGO). CIBC moves the target to \$90 (Canadian) from \$89, and reiterates "outperformer".

Cogeco Communications (TSX:CGA). Desjardins Securities downgrades the stock to "hold", raises the EPS estimates for 2019 and 2020, and maintains a \$96 target after "significant outperformance" in the stock.

CIBC lifts the target to \$98 from \$94.



U.S. ANALYSTS' CALLS

Visa (NYSE:V) gets its target raised to \$175 (U.S.) from \$151 by Instinet.

STOCKS THAT MAY MOVE

MTY Food Group (TSX:MTY) is at it again this time buying U.S. pizza chain **Papa Murphys (NASDAQ:FRSH)**, higher by 30% in pre-market

trading, for \$190 million.

MTY has been a nice winner for Capital Ideas subscribers who bought following our spring of 2016 cover story when shares of the acquisitive food court chain operator were trading in the mid-\$30s (Canadian). The stock peaked at more than \$72 and currently trades above \$58.

Crombie REIT (TSX:CRR:UN) is selling an 89% non-managing interest in a 26 property portfolio for total of \$161.6 million to a U.S. private equity group. The REIT will retain an 11% ownership interest and will continue to manage and operate the properties.

Savaria (TSX:SIS) has struck a \$70.75 million bought-deal financing with a syndicate of underwriters, which will buy 5 million common shares at \$14.15 each. Savaria also announced preliminary Q1 results, saying revenue likely rose 48% and EBITDA 26%, both of which would be shy of estimates.

Trulieve Cannabis (CSE:TRUL) said Q4 revenue grew 172% from last year at the same time to nearly \$40 million (U.S.), ahead of analysts estimates. Adjusted EBITDA jumped to \$15.2 million from \$2.2 million a year earlier.

Heritage Cannabis Holdings (CAE:CANN) has arranged a \$10 million (Canadian) bought-deal offering through a syndicate of underwriters,

which will buy nearly 19 million units at 53 cents each.

Westleaf (TSXV:WL) has struck a \$12 million bought deal financing through a syndicate of underwriters, which will buy 12,000 convertible debenture units at \$1,000 each.

Badger Daylighting (TSX:BAD) has appointed Darren Yaworsky as vice president finance and chief financial officer. He comes over from **Wajax (TSX:WJX)**, where he is senior vice president, finance and CFO.

AgJunction (TSX:AJX) is closing its facilities in Fremont, California and Brisbane, Australia as the company consolidates its operations at its corporate headquarters in Scottsdale, Arizona. The closures will result in about a 25% reduction in its workforce.

Tesla (NASDAQ:TSLA), along with partner Panasonic, has frozen investment at its battery Gigafactory in Nevada, according to reports.

Royal Dutch Shell (NYSE:RDS.B) is selling its nearly 23% stake in the Caesar Tonga field in the Gulf of Mexico for \$965 million (U.S.)

MARKETS

The TSX and U.S. stock futures are modestly

higher.

CURRENCIES

The Canadian dollar is lower by 0.5% at \$0.7470 (U.S.).

COMMODITIES

West Texas Intermediate is pausing, down 1% at \$63.94 a barrel, as U.S. crude inventories hit a 17-month high.

Gold is off 1.2% at \$1,298.20 an ounce.

Daily Update

See the new [*Capital Ideas Digest*](#) for a technology idea which is a leader in its sector, has strong financial backing, and some are saying reminds them of *Shopify* in the early days.

Please email questions, comments or concerns to:

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