



INVEST LIKE A PRO, WITH THE PROS!





Keep reading for news on the strong quarter for **Village Farms**.

Meanwhile, the new *Capital Ideas Digest*, available at 7 pm eastern time today, takes a defensive stance and gets its investment cues from a respected strategist.

www.capitalideasmedia.com

Morning Need to Know

Getting you ready for your investing day

August 13, 2019

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



CANADIAN ANALYSTS' CALLS

INITIATIONS

Green Thumb Industries (CSE:GTTI). Echelon Wealth Partners begins coverage on U.S. multi-state operators (MSOs) in the cannabis sector with a "buy" on this name and a price target of \$24 (Canadian).

Cresco Labs (CSE:CL) gets a "speculative buy" rating and \$15 target, giving it 48% upside.

Columbia Care Inc. (NEO:CCHW) also gets a "speculative buy" rating with a target of \$11.50 target.

iAnthus Capital Holdings (CSE:IAN) is started with a "speculative buy" rating and \$10 target.

**

Viemed Healthcare (TSX:VMD). Beacon Securities raises the price target to \$13 from \$12.50, implying 39% upside, and maintains a "buy" rating.

Viemed is higher by 148% since our cover story based on Beacon's initiation report on May 1, 2018.

GDI Integrated Facility Services (TSX:GDI). Dirty laundry. Yup, that's what this company specializes in. It's the largest of its kind in Canada and has an expanding presence in the U.S. Cormark Securities is maintaining a "buy" and a target of \$35.

In our October 23, 2017 issue Desjardins Securities said GDI could reach \$30 a share in three-to-four years time. GDI has hit that mark well ahead of schedule with a 94% gain since our story.

Velocity Minerals (TSXV:VLC). Michael Curran is the new analyst at Beacon Securities covering this early stage gold producer with assets in Bulgaria. He raises the target to \$0.80 from \$0.65, indicating a potential gain of 57%.

VLC was up as much as 56% after we featured it in our June 25, 2019 Digest, and has settled back to a gain of 25%.

Canfor Pulp Products (TSX:CFX). TD Securities upgrades to "buy" and lifts the target to \$13 from \$11.

Sandstorm Gold (TSX:SSL). National Bank lifts the target to \$10.50 from \$9.25.

Americas Silver (TSX:USA;NYSE:USAS). Laurentian Bank downgrades to "hold" and lowers the target to \$5.10 from \$5.40 after a "poor" financial quarter and a big runup in the stock.

The Stars Group (TSX:TSGI;NASDAQ:TSG). Desjardins upgrades to "buy" and lowers the target to \$31 from \$35, saying the drop on the stock following the company's earnings report was "excessive".

Black Diamond (TSX:BDI). Raymond James upgrades to "strong buy" and keeps the target at \$3.

U.S. ANALYSTS' CALLS

Creditcorp Ltd (NYSE:BAP). J.P. Morgan raises to "overweight".

STOCKS THAT MAY MOVE

Village Farms International (TSX:VFF;NASDAQ:VFF) has been one of our better ideas the last few years rising 847% since we first interviewed

CEO Michael DeGiglio in September of 2017.

The company has long been a producer of vegetables but is now devoting much of its production to greenhouse cannabis through a 50/50 joint venture called Pure Sunfarms.

VFF has reported Q2 earnings results. Here's a snapshot of the numbers courtesy of Lawrence Chamberlain from investor relations firm LodeRock Advisors:

- Total sales of \$32.5 million (all to the adult use market). This ranks Pure Sunfarms as the third-largest Canadian LP by cannabis sales, according to New Cannabis Ventures.
- All in production cost per gram of \$0.65 – one of the lowest, if not the lowest, reported by a Canadian LP to date.
- Gross margin of 84%
- EBITDA margin of 78%
- Continues to be one of the very few profitable LPs, reporting net income of \$37.2 million (EBITDA of \$25.2 million).

MediPharm Labs (TSX:LABS) is one of the better performing cannabis extraction companies. It's delivered robust Q2 numbers, which follow below from the company's news release:

- Revenue was \$31.5 million, a 43% increase over Q1 2019.
- Gross Profit was \$11.3 million, a 65% increase over Q1 2019, while Gross Margin was 36% compared to 31% in Q1 2019.
- Adjusted EBITDA was \$7.7 million, 79% higher than Q1 2019, while Adjusted EBITDA margin was 24% compared to 20% in Q1 2019.
- Net income before tax was \$4.1 million compared to a net loss of \$0.3 million in Q1 2019.

Halo Labs (NEO:HALO) is another extraction company that has released its Q2 numbers which saw revenue hit \$9,552,012, a 356% increase over Q2 2018, as the company ramped up its California business.

Halo had a net loss in the quarter of \$4.1 million. It's also issuing about 17.3 million shares at \$0.34 and \$0.36 a share to settle debt obligations worth about \$6.1 million.

Brookfield Asset Management (TSX:BAM.A) is

buying **Genworth MI Canada (TSX:MIC)** for \$2.4 billion.

Constellation Brands (NYSE:STZ) is selling its Canadian whiskey portfolio for \$266 million (U.S.).

Crombie REIT (TSX:CRR.UN) is offering \$200 million Series F senior unsecured notes maturing Aug. 26, 2026 with an interest at a rate of 3.7% per year.

Park Lawn (TSX:PLC) had Q2 revenue of \$58.6 million up from \$40.3 million a year earlier and slightly below estimates of \$59.4-million. Net income was \$1.4-million or 5 cents per share, which missed estimates, versus a loss of \$435,849 or 2 cents a year ago.

MARKETS

S&P/TSX and U.S. equity indices have started lower as investors remain cautious amid a bevy of concerns including the ongoing protests in Hong Kong.

European stock indices are lower, and in Hong Kong the Hang Seng to fell 2%, while the Nikkei was off 1.1%, and China's Shanghai fell 0.6%.

CURRENCIES

The Canadian dollar is down

0.3% at \$0.7528 (U.S.).

COMMODITIES

West Texas Intermediate is down 0.6% at \$54.56 a barrel.

Gold is up 1% at \$1,532.30 an ounce.

DAILY UPDATE



[Here's our interview](#) with George Robinson, the CEO of **RavenQuest BioMed (CSE:RQB)**, and a respected leader in the cannabis sector.

Sponsor content.

Please email questions, comments or concerns to: customercare@capitalideasresearch.com

Access, ideas and insight.

Mark Bunting
Publisher,
Capital Ideas Media

www.capitalideasmedia.com



The information and recommendations made available here (“Information”) by CIR and/or all affiliates is for informational purposes only and not to be used or construed as an offer to sell or a solicitation of an offer to buy any services or securities. You further agree that neither Capital Ideas Research will be liable for any losses or liabilities that may be occasioned as a result of the information or commentary provided in the letter. By accessing the site and reading this note, you accept and agree to be bound by and comply with the terms and conditions set out herein. If you do not accept and agree to the terms, you should not use this site or accept this email.

CIR is not registered as an adviser under the securities legislation of any jurisdiction of Canada and provides the Information pursuant to an exemption from the registration requirements that is available in respect of generic advice. The recommendations contained on the site and in this email are not tailored to the needs of particular persons and may not be appropriate for you depending on your financial position or investment goals or needs. You should apply your own judgment in making any use of the Information, especially as the basis for any investment decision. Prior to making any investment decision, we recommend that you seek outside advice from a qualified and registered investment advisor.

In no event will CIR be responsible or liable to you or any other party for any damages of any kind arising out of or relating to the use of, misuse of or inability to use this site and email. The Information is directed only at persons resident in Canada. Nothing in this site shall constitute an offer or solicitation to anyone in the United States of America or any jurisdiction where such offer or solicitation is not authorized or to any person to whom it is unlawful to make such a solicitation. If you choose to access this site or email from outside of Canada, you acknowledge that the Information is intended for use by persons resident in Canada only.

This is not an investment advisory, and should not be used to make investment decisions. Information in CIR is often opinionated and should be considered for information purposes only. No stock exchange anywhere has approved or disapproved of the information contained herein. There is no express or implied solicitation to buy or sell securities. The writers and editors of CIR may have positions in the stocks discussed above and may trade in the stocks mentioned. Don't consider buying or selling any stock without conducting your own due diligence.

Copyright © 2016 Capital Ideas Research, All rights reserved.

You are receiving this email because you are part of our investment network.

[Add us to your address book](#)

[update subscription preferences](#)

This email was sent to <<Email Address>>

[why did I get this?](#) [unsubscribe from this list](#) [update subscription preferences](#)

Capital Ideas Research · HSBC Bank Place · 10250 101 Street Suite 1803 · Edmonton, Alberta T5J 3P4 · Canada