



INVEST LIKE A PRO, WITH THE PROS!





Keep reading for *Fabrice Taylor's* take on the latest news from **Athabasca Minerals** (**TSXV:ABM**).

Real assets, real returns.

The new *[Capital Ideas Digest](#)* hi-lights a company sitting on \$35 billion of dry powder that should be a "core holding for most Canadian equity portfolios".

Morning Need to Know

Getting you ready for your investing day

October 2, 2019

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Capital Ideas Media



CANADIAN ANALYSTS' CALLS

Winpak (TSX:WPK). CIBC upgrades to "outperform" and lifts the target to \$50 (Canadian) from \$48, indicating a 16% return, after the company bought a private firm in New Jersey for \$42 million. GMP upgrades to "buy" and moves the target to \$53 from \$52.

Alvopetro Energy (TSXV:ALV). Mackie Research raises the price target to \$1.15 from \$0.80, implying 85% upside, and maintains a "speculative buy" rating after the company secured a \$15 million credit facility to develop its natural gas project in Brazil.

Methanex (TSX:MX;NASDAQ:MEOH). RBC

Dominion Securities upgrades to "outperform" and keeps the target at \$50 (U.S.).

SNC Lavalin (TSX:SNC). Desjardins upgrades to "buy" and lowers the target to \$32 (Canadian) from \$34 as the company focuses on engineering services with the analyst saying:

"The current share price offers an attractive risk/reward profile for long-term investors to revisit the story and buy the shares."

Air Canada (TSX:AC). National Bank raises the target to \$57 from \$55.

Morguard Corp. (TSX:MRC).
RBC hikes the target to \$217 from \$200.

Vermillion (TSX:VET) National Bank Financial has downgraded a number of energy stocks including this one to "sector perform" and lowers the target to \$24 from \$28.

U.S. ANALYSTS' CALLS

INITIATIONS

Live Nation Entertainment (NYSE:LYV).
Jefferies starts coverage with a "buy" and a target of \$84 (U.S.) based on the company's growing revenue and higher profit margins.

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TD Ameritrade Holding (NASDAQ:AMTD).

Barclays cuts to “underweight” from “overweight” with a target of \$31, down from \$57, after rival Charles Schwab said it was cutting its commission rates to zero.

STOCKS THAT MAY MOVE

Athabasca Minerals (TSXV:ABM).

We've been keeping you up to date on this company's progress ever since contributor Fabrice Taylor recommended the stock in January of this year when it was trading at just under \$0.30. It closed Tuesday at \$0.69 and could be on the move today.

Taylor has updated his President's Club Investment Letter subscribers this morning on the latest developments:

As we expected and hoped, Athabasca Minerals announced two related pieces of excellent news today:

First, the government has approved its closure plan for Susan Lake, meaning the regulator has signed off on the reclamation work the company has performed and proposed to close off the now-depleted site.

Second, and more importantly, **the company has settled its lawsuit with Syncrude.**

Recall that the parties were to be in court today,

a prospect that typically concentrates the mind. So we thought they would settle just before that unpleasant experience and we were right on that score.

Why is this good news, apart from the removal of a potential liability?

Because Athabasca is **fast-becoming a potentially institutional-grade story**, especially if and when it announces a financing plan to carry through with the development of the White Rabbit and later the Montney frac sand projects (not to mention other frac projects it may be working on).

Plus we believe the emerging technology platform (Aggregates Marketing's Rockchain, with \$45 million in bids outstanding) could also attract serious investment interest, especially if spun-out. The company continues to consider this option.

The lawsuit, however, had prevented many bigger investors from picking up shares, as institutions often have blanket policies against investing when legal matters cloud the story.

The clouds have now parted and expect interest from institutional players now. We hope to hear a financing plan for White Rabbit soon and possibly news of a spin-out of Aggregates Marketing.

Stars Group (TSX:TSG;NASDAQ:TSGI). The U.S.-listed shares of the former Amaya are up about 50% in pre-market trading after the company agreed to sell a nearly 55% stake in itself to Flutter Entertainment of the U.K. in a \$6 billion stock deal to form the world's largest online betting and gambling company by revenue.

Canopy Growth (TSX:WEED;NYSE:CGC) is buying a 72% controlling stake in private company BioSteel Sports Nutrition. Terms were not disclosed.

BioSteel is best known for its pink sports drink used by professional athletes. The company has partnerships with the likes of USA Hockey, and Canada Basketball. Canopy says:

"We view the adoption of CBD in future BioSteel offerings as a potentially significant and disruptive growth driver for our business."

Cenovus (TSX:CVE) has reduced its 2019 capital expenditure budget by \$150 million to a range between \$1.1 billion to \$1.2 billion and raised its quarterly dividend by 25% to 62.5 cents a share. The company said it has the capacity to increase the dividend further at a rate of 5-10% annually.

MARKETS

S&P/TSX and U.S. equity futures are lower in the

wake of weak U.S. manufacturing numbers.

Some sobering economic data lately:

The U.S. manufacturing index fell to the lowest level since 2009.

Global manufacturing has dropped five months in a row.

Hong Kong retail sales plunged 23% year-over-year, the most on record.

And Manhattan existing home sales hit the lowest level since 2011.

Chinese financial markets are closed the rest of the week as the country marks the 70th anniversary of the founding of the People's Republic of China amid increasing unrest in Hong Kong.

CURRENCIES

The Canadian dollar is down 0.2% to \$0.7548 (U.S.) while the U.S. dollar remains near a 29-month high against a basket of major currencies.

COMMODITIES

West Texas Intermediate is up 0.5% to \$53.88 a barrel.

Gold is up 0.6% at \$1,498.40 an ounce.

DAILY UPDATE

Our new [*Business of Comedy* podcast](#) is with *Dave Merheje*, comedian, actor, and winner of the **2019 Juno Award for Best Comedy Album**.

Merheje is one of those overnight successes – after nearly 20 years honing his craft.

The Windsor, Ontario-raised, New York-based comic is introspective and candid about his childhood as the son of naturally funny Lebanese immigrants, his comedic influences, internal struggles, **why he cried when he got his first Netflix special**, and how **getting mugged in Los Angeles** led him to find his authentic onstage voice.

Please email questions, comments or concerns to: [*customercare@capitalideasresearch.com*](mailto:customercare@capitalideasresearch.com)

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