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Tomorrow's new *Capital Ideas Digest* will summarize **eight special situations stocks for 2020.**

We'll also look at new research on a company that has returned to the public markets, is **led by an entrepreneur, a pure play in its sector and could**

gain nearly 50%.

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Morning Need to Know

Getting you ready for your investing day

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Capital Ideas Media



CANADIAN ANALYSTS' CALLS

INITIATIONS

NexGen Energy (TSX:NXE;NYSE:NXE).
Canaccord Genuity starts coverage with a
"speculative buy" and a price target of \$4
(Canadian) calling the company a:

*"...compelling investment for investors looking for
exposure to uranium through a world-class deposit in a
low-risk jurisdiction."*

Long-time subscribers may remember we had a
cover story on NexGen in July of 2016
featuring copious information from **Warren Irwin** of
Rosseau Asset Management (before we were told by
subscribers they wanted shorter articles).

The stock was trading around \$2.60 and jumped to more than \$4 by February of 2017.

The story hasn't panned out so far long-term as uranium remains in the doldrums and NXE now trades at \$1.55.

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Innergex Renewable Energy (TSX:INE). BMO Nesbitt Burns upgrades to "outperform" and lifts the target to \$20 from \$17.

Well Health Technologies (TSX:WELL). PI Financial moves the target to \$2.20 from \$1.80, and reiterates a "buy" and "top pick" status for this **March of 2019 Digest cover story that has surged 211% since then.**

Canfor (TSX: CFP). CIBC upgrades to "outperformer" and lowers the price target to \$15 from \$16 as a stronger household backdrop should support higher prices for wood products.

Canfor Pulp Products (TSX:CFX) also raised to "outperformer" by CIBC with the target moving to \$12 from \$10.

Cascades (TSX:CAS). And CIBC upgrades this one to "outperformer" with a target of \$14.

Aritzia (TSX:ATZ). CIBC boosts the price target to \$27 from \$23, saying the retailer has substantial upside potential in the U.S., which should fuel several years of attractive growth.

Badger Daylighting (TSX:BAD). Canaccord Genuity believes the North

American engineering and construction sector is well positioned for 2020 and hikes the targets on a number of companies including BAD which gets its target moved to \$48 from \$46.

Canadian Natural Resources (TSX:CNQ) gets its target raised by RBC to \$45 from \$42 on its superior execution capability and strong free cash flow generational potential. And **Raymond James** moves CNQ's target to \$50 from \$40 as it hikes its crude oil price assumptions higher for this year and next.



U.S. ANALYSTS' CALLS

Apple (NASDAQ:AAPL). Evercore ISI ups the target to \$360 (U.S.) from \$315 on strong iPhone sales and double digit growth in services and wearables.

Tesla (NASDAQ:TSLA) is up in pre-market after Oppenheimer boosted the target to \$612 from \$385 with the shares having recently hit all-time highs.

STOCKS THAT MAY MOVE

Cott Corp (TSX:BCB;NYSE:COT) continues its strategy of becoming a pure play water company by buying **Primo Water (NASDAQ:PRMW)** for \$14 a share in cash and stock or \$775 million (U.S.), a 26% premium to Friday's close.

Cott already has a strategic partnership with Primo and will rebrand its name to Primo Water Corp. Cott

is still believed to be trying to sell its coffee and tea business.

Brookfield Renewable Partners (TSX:BEP.UN) is buying the remaining 38% stake in **TerraForm Power (NASDAQ:TERP)** it doesn't already own in a deal that values the electricity utility at nearly \$4 billion.

Lululemon (NASDAQ:LULU) continues to roll as it raises its financial forecast following a robust holiday season for the retailer.

Hexcel (NYSE:HXL) and **Woodward (NYSE:WWD)**. Not household names but the two companies are coming together in an all-stock merger of equals to create a \$6.43 billion aerospace and industrial firm to be called Woodward Hexcel, with Woodward shareholders owning 55% of the new entity, which will be run by the current CEO of Hexcel.

Ford Motor (NYSE:F) said China sales fell for a third consecutive year, this time by 26%.

Walmart (NYSE:WMT) has fired 56 executives in India as part of a restructuring.

MARKETS

S&P/TSX and U.S. equity futures are higher ahead of an expected signing this week of a phase one trade deal between the U.S. and China, and U.S. earnings season kicking off this week with companies unveiling their Q4 results.

CURRENCIES

The Canadian dollar is modestly higher

to \$0.7664 (U.S.).

COMMODITIES

West Texas Intermediate is up slightly at \$59.13 a barrel .

Gold is down 0.2% to \$1,556.30 an ounce.

Please email questions, comments or concerns to:

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