



Invest like a pro, with the pros.



www.capitalideasmedia.com

Morning Need to Know

Getting you ready for your investing day

September 28, 2020

Written & curated by Sean Mason, Associate
Publisher, Capital Ideas Media



CANADIAN ANALYSTS' CALLS

Stella-Jones Inc. (TSX:SJ). Desjardins Securities analyst Benoit Poirier maintained his “Buy” rating on shares of the pressure treated wood products provider with a \$50 target price, pointing to “solid” execution that has allowed it to “capitalize on healthy demand.”

“We like SJ for its resilient business model in spite of the COVID-19 pandemic, as well as its strong balance sheet, market-leading position in the railway ties and utility poles sectors, and the booming residential lumber business,” he said.

PopReach Corporation (TSXV:POPR). Canaccord Genuity analyst Aravinda Galappathige initiated coverage of the stock with a “Buy” rating and a \$1.50 per share target price, calling it an “acquisition-driven pure play in mobile gaming.”

“PopReach is an operator of a portfolio of free-to-play (FTP) mobile games and has a highly focused strategy of acquiring game assets that are in the more mature stages of their lifecycles but which possesses certain evergreen credentials, largely in the casual and mid-core genres,” the analyst wrote.

“The strategy is the result of the many ‘neglected’ game assets in the broader market that have genuine longevity but have seemingly passed their peak, and thus become non-core to their developers or publishers. Once acquired, PopReach revitalizes these games through a multi-faceted process that includes cost rationalization, game design improvements, technology upgrades, possibly IP extension, and branding.”



U.S. ANALYSTS' CALLS

Expedia Group (NASDAQ:EXPE). RBC Dominion Securities analyst Mark Mahaney downgraded the stock to “Sector Perform” from “Outperform,” while maintaining a US\$93 per share target price.

“With shares trading roughly in line with our price target, we view risk/reward as more balanced here,” Mr. Mahaney said.

“EXPE now trades at 7.4 times EV/EBITDA on our 2022 EBITDA estimate that is 9 per cent below the Street. On Street numbers, EXPE is trading at 6.7 times EV/EBITDA on 2022 estimates. EXPE’s 3-year median EV/forward EBITDA multiple is 8.0 times and given the highly uncertain recovery in Global Travel and multiple negative read-throughs from our survey results, we no longer view valuation as compelling here.”

Plug Power Inc. (NASDAQ:PLUG). Morgan Stanley upgraded shares of the hydrogen fuel cell solutions provider with an "Overweight" weighting and a \$14 per share target price.



STOCKS THAT MAY MOVE

Inter Pipeline Ltd. (TSX:IPL) reported that it has signed a deal to acquire the Milk River pipeline system from a subsidiary of Plains All American Pipeline LP, in exchange for its 100% ownership interest in the Empress II and 50% ownership interest in the Empress V straddle plants. Plains will also pay Inter Pipeline \$35 million in cash.

WELL Health Technologies Corp. (TSX:WELL) said it will form a new business unit called WELL Health Allied Care Inc, which will focus on allied health offerings such as physiotherapy, rehabilitation, occupational therapy, chiropractic, dietary, mental health counselling and sleep related services.

Loop Insights Inc. (TSXV:MTRX) announced that it has signed an agreement to grant Austin, TX based startup CasaPerks LLC a non-exclusive license to use various aspects of Loop's technology in return for US\$1.93 million in cash and shares.

MARKETS

S&P/TSX and U.S. equity futures are pointing to a sharply higher open on Monday as profits at China's industrial firms increased for the fourth straight month in August.

CURRENCIES

The Canadian dollar is down 0.01 at 0.7469 (U.S.).

COMMODITIES

West Texas Intermediate crude oil rose 0.9% at \$40.61.

Gold gained 0.4% to \$1,872.80 an ounce.

Please email questions, comments or concerns to:

[*customercare@capitalideasresearch.com*](mailto:customercare@capitalideasresearch.com)

Access, insight and ideas.

Sean Mason
Associate Publisher,

Capital Ideas Media

www.capitalideasmedia.com



www.capitalideasmedia.com

Morning Need to Know

Getting you ready for your investing day

September 22, 2020

Written & curated by Sean Mason, Associate
Publisher, Capital Ideas Media



CANADIAN ANALYSTS' CALLS

H₂O Innovation Inc. (TSXV:HEO). Desjardins Securities analyst Frederic Tremblay initiated coverage on the stock with a “Buy” rating and a \$2 per share target price, as he sees “massive” spending on water and wastewater treatment systems due to challenges to clean water availability, the regulatory environment and the “poor shape” of infrastructure.

“We believe HEO’s expertise in membrane-based products and services positions the company to capture growth opportunities,” he said.

“The U.S. (where HEO generates 70 per cent of revenue) has 65,000 water and wastewater systems, most of which are small local entities with aging workforces and are seeking know-how and customized solutions that an experienced partner

like HEO can offer. The company can also tap into opportunities, including desalination, outside of the U.S., thanks in part to its global network of distributors for specialty products.”

Canadian Apartment Properties Real Estate Investment Trust (TSX:CAR.UN). Raymond James analyst Brad Sturges resumed coverage on the REIT with an “Outperform” rating and \$55.50 per share target price.

“Although the Ontario Government’s expected plan to freeze rents for existing tenants in 2021, we believe that CAPREIT is positioned to capture higher AMRs [average monthly rents] realized upon suite turnover, and to execute on Canadian multifamily sector consolidation prospects due to its financial position,” the analyst wrote.

“CAPREIT’s affordable rental portfolio segment may experience resilient leasing demand fundamentals during the pandemic, supporting its future organic growth profile.”



U.S. ANALYSTS' CALLS

Amazon.com Inc. (NASDAQ:AMZN). Bernstein analyst Mark Shmulik upgraded the stock to “Outperform” from “Market Perform” with a US\$3,400 per share target price.

“Amazon is positioned to increase their dominant share position when the return to physical stores occurs. Amazon has also quietly made substantial inroads into grocery and ‘shopping’ verticals,” Mr. Shmulik said.

“Amid COVID, Amazon has executed incredibly well, pivoting its operations and inventory to in-demand verticals – with flexibility and speed we didn’t expect.”

He added that he believes the Company can make further gains in other “revenue pools” like advertising and cloud services.

Teladoc Health Inc. (NYSE:TDOC). DA Davidson initiated coverage on shares of the virtual healthcare provider with a "Buy" rating and a \$250 per share price target.



STOCKS THAT MAY MOVE

Dye & Durham Limited (TSX:DND) reported that its Fiscal 2020 revenue rose 49% to \$65.5 million, while its Adjusted EBITDA for the year increased 39% to \$36.7 million.

Great Bear Resources Ltd. (TSXV:GBR) provided an update on metallurgical testing underway at its 100% owned Dixie Project in the Red Lake district of Ontario. CEO Chris Taylor commented that “in more than 99% of observed instances, gold occurs freely or on the edges of sulphide grains, suggesting potential for very high metallurgical recoveries, as has been observed at other free gold hosting deposits in the Red Lake district.”

Neptune Wellness Solutions, Inc. (TSX:NEPT) announced that it has agreed to an import and stocking distribution partnership with a global consumer goods company for professional beauty, personal care and hygiene product lines, which the

two companies project will generate revenue of between US\$65 million and US\$137 million over the next 18 months.

MARKETS

S&P/TSX and U.S. equity futures are pointing to a mixed open Tuesday as investors look ready to start buying some beaten-down tech stocks south of the border.

CURRENCIES

The Canadian dollar is down 0.01 at 0.7514 (U.S.).

COMMODITIES

West Texas Intermediate crude oil rose 0.7% at \$39.60 as the latest storm in the Gulf of Mexico lost strength.

Gold gained 0.3% to \$1,916.40 an ounce.

Please email questions, comments or concerns to:

[*customercare@capitalideasresearch.com*](mailto:customercare@capitalideasresearch.com)

Access, insight and ideas.

Sean Mason
Associate 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.

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