



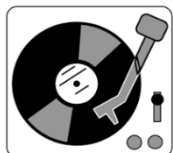
Canaccord Genuity Wealth Management Morning Coffee

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Tuesday July 4, 2017

S&P/TSX Composite	-31.23	15182.19
Dow Jones	62.60	21349.63
S&P 500	3.71	2423.41
NASDAQ	-3.93	6140.42
S&P/TSX Venture	4.34	766.74
Crude Oil (US\$/brrl)	1.37	46.30
Gas (US\$/mmbtu)	0.00	3.04
Copper (US\$/lb)	0.02	2.71
Gold (US\$/oz)	-4.40	1241.40
Nickel (US\$/lb)	0.01	4.21
Palladium (US\$/oz)	-9.45	849.00
Platinum (US\$/oz)	5.00	924.00
Silver (US\$/oz)	-0.04	16.62
Uranium (US\$/lb)	0.00	20.50
Canadian Dollar	0.0021	0.7710
10-Year Canada		1.44
10-Year U.S.		2.31
Volatility Index (VIX)	-0.26	11.18

For the Record



Sony (SNE) announced it will start pressing its own vinyl releases again for the first time since 1989. The firm will soon resume in-house domestic vinyl production at a Japanese factory south-west of Tokyo.

The move comes amid renewed demand for old-fashioned black plastic records, which now occupy a key market niche. At one time, the format had been expected to disappear after the rise of CDs, digital downloads and streaming.

During vinyl's long decline from the late 1980s onwards, many vinyl record factories closed down, with production confined to a few specialist independent firms. But this year, global vinyl revenue is expected to hit \$1B, with many consumers swearing by its supposedly superior sound quality.

Unfortunately, Sony says it is struggling to find engineers who know how to make records.

CANADA

The S&P/TSX Composite slipped in on Friday, as investors retreated from heavyweight financial and natural resource stocks.

For the second quarter in a row, **Exfo (EXF)** provided weaker-than-expected quarterly results and guidance. A restructuring plan it announced in early May added \$3.8M in charges but is expected to generate annual savings of \$8M.

Callidus Capital (CBL) provided several business updates that analysts viewed disappointing. Particularly, Callidus continues the process of soliciting proposals for privatization, which is taking longer than expected.

Exploration stage uranium company **NexGen Energy (NXE)** announced it entered into a binding agreement with CEF Holdings (controlled by Li Ka Shing) for a second financing package totalling US\$110M.

The State of Nevada approved **Marapharm Ventures (MDM)** marijuana application for recreational use for 70,000-square feet in Las Vegas, Nevada. The company currently holds three medical marijuana licences and has made applications for the transition to recreational use for the 290,000 square feet of cultivation and production facility.

UNITED STATES

Benchmark indexes traded higher on Friday, as technology stocks attempted a rebound while consumer spending data for May showed steady economic growth. **Nike (NKE)** said the company is starting a pilot program to sell sneakers through **Amazon.com (AMZN)**, ending a long stalemate between the sportswear giant and the online retailer. Nike CEO Mark Parker said that Amazon would carry "a limited Nike product assortment" of footwear, apparel, and accessories, and that Nike was seeking to improve its presence on the e-commerce site.

Warren Buffett's **Berkshire Hathaway (BRK.A)** will swap its preferred shares in **Bank of America (BAC)** into common shares worth about \$17B, making it the biggest shareholder of lender. Berkshire said it would exercise its warrants for 700M common shares of Bank of America following a dividend increase by the lender. **Micron Technology (MU)** forecast better-than-expected profit and revenue for the current quarter as it benefits from improved prices of memory chips amid tight supply, coupled with demand from cloud-services providers and smartphone makers.

Organic-food company **Hain Celestial (HAIN)** rallied on the news that activist investor Engaged Capital LLC has taken a 9.9% stake in the company and is pushing for a board overhaul.

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ECON 101

CANADIAN Data Today: No scheduled releases.

U.S. Data Today: No scheduled releases.

MARKET MOVERS

Notable 52-Week Highs:

AltaGas Ltd.	ALA.PR.B	\$ 20.20
Alignvest Acquisition II Corp.	AQY.UN	\$ 10.15
Bank of Montreal	BMO.PR.D	\$ 24.99
Brookfield Renew Power Pref Eq	BRF.PR.B	\$ 20.02
Cascades Inc.	CAS	\$ 17.73
Cardinal Energy Ltd.	CJ.R	\$ 4.85
Emera Inc.	EMA.PR.A	\$ 17.77
Enbridge Inc.	ENB.PR.D	\$ 19.50
Enbridge Inc.	ENB.PR.N	\$ 21.06
Enbridge Inc.	ENB.PR.Y	\$ 20.14
Fennec Pharmaceuticals Inc.	FRX	\$ 8.38

Genesis Land Development	GDC	\$ 3.48
Intact Financial	IFC	\$ 98.29
Intact Financial	IFC.R	\$ 97.13
Kirkland Lake Gold	KL	\$ 12.48
Manulife Financial	MFC.PR.I	\$ 23.94
Mogo Finance Technology Inc.	MOGO	\$ 5.00
Olympia Financial Group	OLY	\$ 31.35
Synex International	SXI	\$ 0.46
TransAlta Corp.	TA	\$ 8.38
Valener Inc.	VNR.PR.A	\$ 22.10

Notable 52-Week Lows:

iShares 1-10 Corp Bond Fund	CBH	\$ 19.23
iShares 1-5yr Lad Corp Bd Fund	CBO	\$ 18.75
iShares 1-5yr Lad Corp Bd Fund	CBO.A	\$ 18.62
iShare 1-5 yr Govt Bond Fund	CLF	\$ 18.28
iShare 1-5 yr Govt Bond Fund	CLF.A	\$ 18.12
iShares 1-10 Laddered Gov Fund	CLG	\$ 18.86
Crescent Point Energy	CPG	\$ 9.80
Desjard Cda MF-Controlled Vol.	DFC	\$ 19.83
DataWind Inc.	DW	\$ 0.27
Eldorado Gold	ELD	\$ 3.21
Equity Financial Holdings	EQI	\$ 7.45
First Asset Sh. Term Gov. Bond	FGB	\$ 19.26
Franklin LibertyQT Intl Equity	FLDM	\$ 19.33
MINT Income Fund	MID.UN	\$ 6.41
Mandalay Resources Corp	MND	\$ 0.37
Newalta Corp	NAL	\$ 1.39
Oil Sands Sector Fund	OSF.UN	\$ 3.86
PowerShares 1-5 Yr Corp. Bond	PSB	\$ 18.40
RBC 1-5 Yr Lad. Corp. Bond ETF	RBO	\$ 19.41
June 2021 Invest. Grade Bond	RBP.UN	\$ 9.75
Real Matters Inc.	REAL	\$ 10.65
RioCan Real Estate Investment	REI.UN	\$ 23.88

RBC Quant Gbl Real Est. Leader	RGRE	\$ 19.00
RBC 1-5 Yr Laddered Cnd Bond	RLB	\$ 19.55
RBC Target 2019 Corp. Bond ETF	RQG	\$ 19.62
Starcore International Mines	SAM	\$ 0.39
NXT Energy Solutions	SFD	\$ 0.85
Molson Coors Canada	TPX.B	\$ 111.74
First Asset Energy & Resource	TRF.UN	\$ 15.50
Vanguard Cdn Short-Term Bond	VSB	\$ 24.10
Vang.Cdn Short-Term Corp. Bond	VSC	\$ 24.49
Western Energy Services	WRG	\$ 1.74
iSh. Core MSCI Gbl. Qual. Div.	XDG	\$ 19.23
iSh. Core MSCI US Quality Div.	XDU	\$ 19.22
iShares Cdn Univer. Maple ETF	XSH	\$ 19.38
iShares Short Term Qual. Bond	XSQ	\$ 19.60
BMO Short Term Corp Bd E.T.F.	ZCS	\$ 14.31
BMO S&P/TSX Oil & Gas E.T.F.	ZEO	\$ 10.19
BMO Short Term Fed Bd E.T.F.	ZFS	\$ 14.35
BMO Short Term Fed Bd E.T.F.	ZFS.L	\$ 19.95
BMO Short Term Prov Bd E.T.F.	ZPS	\$ 13.69
BMO US Put Write ETF	ZPW	\$ 18.46
BMO Cdn. High Div. Cov. Call	ZWC	\$ 19.74

CANADIAN EQUITIES OF INTEREST

Listed Alphabetically by Symbol

Portfolio Strategy

THERE IS ONLY ONE OFFICIAL LANGUAGE IN THE U.S. - AMERICAN! As we heard last week, more and more central banks are signalling the end of extreme monetary accommodation. However, this pertains essentially to the Developed

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Morning Coffee

Markets world where policy rates remain much below inflation rates. Conversely, Canaccord Genuity North American Portfolio Strategist Martin Roberge said the monetary easing cycle across Emerging Markets should persist a while longer, since average policy rates are much above inflation rates. Nevertheless, financial markets will have to navigate through rate hikes and central bank balance sheet reduction over the next few years. Roberge says that when considering the correlation between global equities and central banks' balance sheets at 75%, equity-market gains should moderate from here. However, as expectations of benign interest rate normalization initially dominate those of a potential monetary overkill by world central banks, Roberge says there is a window of opportunity for commodities to shine as an asset class (more on that topic coming this week). In North America, last week the S&P 500 and S&P/TSX were down as investor's process the upcoming shift in policy regime at world central banks. Both Bank of England Governor Carney and Bank of Canada Governor Poloz hinted at a rate hike. Less dovish comments contributed to sending the US\$ (~ -1.6%) to multi-week lows. Regarding Canadian economic statistics, among key highlights from the BoC Business outlook survey published Friday, firms expect sales growth to improve further, plan on expanding capacity, and look to increase hirings. These findings corroborate comments from BoC Governor Poloz that the Canadian economy should grow above potential over the next few quarters. This week investors await employment and the trade balance data in Canada and nonfarm payrolls and vehicle sales in the U.S.

Callidus Capital* (CBL : TSX : \$14.18), Net Change: -0.25, % Change: -1.73%, Volume: 51,150

MAY YOUR JULY 4TH FIREWORKS CAUSE LESS PERSONAL INJURY THAN YOUR ALCOHOL CONSUMPTION.

Callidus Capital provided several business updates which Canaccord Genuity Financials Analyst Scott Chan viewed as disappointing. Firstly, Callidus continues the process of soliciting proposals for privatization (taking longer than expected) with the potential pursuit of a private debt fund. No proposal for any private debt fund has been received. Callidus is exploring this route as they believe it may result in a greater value to shareholders than what has been proposed. In the release, Callidus (and through Catalyst with 68% ownership of CBL shares) remain committed to completing a transaction at the same prior stated range of \$18-\$22/sh. Chan says he views the valuation as being rich as it would be a significant valuation premium relative to other Canadian lender stocks. As such, Chan says this casts a bit more doubt on a transaction being completed and he has lowered the probability of success for a deal down to 25% from 33% previously. Callidus also reported a new recent loan for ~\$30M, bringing the pipeline for new loans to \$1.3B, while signed back term sheets represented \$330M. Typically, Chan says Callidus closes on 60-80% on signed back term sheets. Lastly in the update, Callidus added two new senior executives to the team which will help support portfolio growth and credit quality. The two members include an originator (with experience in western U.S.) and an underwriter (with ABL and restructuring experience of several large banks).

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Cameco* (CCO : TSX : \$11.81), Net Change: -0.46, % Change: -3.75%, Volume: 3,189,039

SOME URANIUM FOR YOUR CRANIUM. Late last week, Cameco received both bullish and bearish research coverage from analysts. One prominent Bay Street analyst initiated bullish coverage of CCO last Thursday, saying that CCO sits in a strong position to benefit from the long-term recovery in uranium prices. That analyst believes that operational efficiencies support improved free cash flow and dividends in the near term. He also views the CRA and TEPCO disputes as downside risks, but largely reflected in the current valuation. Subsequently on Friday, a major Wall Street analyst reversed investor optimism on CCO and downgraded the stock to a bearish view from a neutral stance previously. That analyst wrote in a note that oversupply in the uranium market would likely weigh on CCO's stock for several years. As you might expect, CCO stock had a rocky finish to the week on Friday.

Exfo* (EXF : TSX : \$6.05), Net Change: -0.39, % Change: -6.06%, Volume: 46,538

Exfo* (EXFO : US\$4.60), Net Change: -0.35, % Change: -7.07%, Volume: 174,365

JUST A REMINDER THAT FIREWORKS LOOK BETTER WHEN YOU'RE NOT CONSTANTLY CHECKING YOUR

PHONE. For the second quarter in a row, EXFO provided weaker-than-expected quarterly results and guidance. Continuing delays on larger and higher margin protocol orders remain a key area of weakness offsetting strength in North American Optical. Management has taken swift measures to excise underperforming assets in the protocol offering with positive OpEx benefits expected in F2018. While new CEO Philippe Morin is seeing some success in a retooling of the go-to-market strategy, Canaccord Genuity Tech Analyst Robert Young says these changes usually take longer than expected. He remains confident on the optical cycle, particularly in the NA market, driven by the need to build out backhaul and metro networks in preparation for 5G wireless, 4G densification, and new pressures as IoT moves beyond the hype stage. Following the results, Young reiterating his neutral rating but lowered his price target on the basis of execution risk and low visibility, particularly in protocol. He also reduced his revenue, EBITDA and EPS estimates to reflect the weaker-than-expected quarter and guidance.

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Marapharm Ventures* (MDM : \$1.23), Net Change: 0.03, % Change: 2.50%, Volume: 554,303

IF LAS VEGAS CASINOS SERVE FREE ALCOHOL WHILE GAMBLING WILL THEY ALSO START GIVING OUT FREE JOINTS? The State of Nevada approved Marapharm Ventures marijuana application for recreational use for 70,000-square feet in Las Vegas, Nevada. "Marapharm has a recreation licence for cultivation of marijuana. This is a big milestone for us. Recreational sales are legal in Nevada July 1, 2017. As far as we know, Marapharm is the first and only publicly-listed company with this level of licensing. We will grow and sell cannabis from the existing modular buildings and will move into the starter buildings when the construction is completed," said Linda Sampson, CEO of Marapharm. The company currently holds three medical marijuana licences and has made applications for the transition to recreational use for the 290,000 square feet of cultivation and production facility. Three years ago, Marapharm also applied to Health Canada for an MMPR (marijuana for medical purposes regulations) (production and sales) licence and has passed the necessary security clearances. The application is currently in the in-depth screening process.

NexGen Energy* (NXE : TSX : \$2.87), Net Change: 0.23, % Change: 8.71%, Volume: 1,314,242

TODAY YOU CAN TAKE A BREAK FROM COMPLAINING ABOUT AMERICA AND CELEBRATE IT! NexGen Energy announced it entered into a binding agreement with CEF Holdings (controlled by Li Ka Shing) for a second financing package totalling US\$110M. The financing includes US\$50M of common shares of NexGen and US\$60M of unsecured convertible debentures. The US\$50M placement will result in the issuance of ~24.1M placement shares at a price of \$2.70, representing NXE's 20-day VWAP price. The new debentures will be convertible at the holder's option into common shares at a conversion price of \$3.52. In connection with the financing, NXE and CEF also agreed to extend the maturity date of the existing US\$60M of unsecured convertible debentures to match the maturity date of the new debentures. Leigh Curyer, CEO of NXE, commented, "We are thrilled to build on the partnership between NexGen and CEF, which formally commenced just 12 months ago with the initial investment of US\$60M. This financing represents a very strong alignment between NexGen and CEF and funds the company to expedite the optimal development of Arrow." Including the proceeds from this financing, NXE will have cash reserves of ~\$200M. Proceeds will be used to finance the continuing exploration and development of the company's SW2 properties (which include the Rook 1 project) and for general corporate purposes.

Blackpearl Resources* (PXX : TSX : \$1.00), Net Change: 0.05, % Change: 5.26%, Volume: 122,464

IT'S ALL ABOUT ENERGY INDEPENDENCE! BlackPearl Resources announced it issued \$75M of senior secured second lien notes, due in 2020, to Prudential Capital Group by way of private placement. Canaccord Genuity Oil & Gas Analyst Sam Roach says this is the final step to financing the Onion Lake Thermal Phase 2 project, as the combination of cash flow and unutilized credit facilities should more than cover the \$185 million capital cost. He believes the announcement is positive on two accounts. First, it removes the financing overhang that has put pressure on the stock since BlackPearl sanctioned Phase 2 in February. Second, 8% is on the low end of management's guided range of interest rates. Phase 2 module fabrication of the construction process is 80% complete in the yard; and, in the field, BlackPearl has started drilling operations. The project remains on schedule for first steam in mid-2018 and full production rates of 6,000 bbl/d in mid-2019. Following the announcement Roach continues to view shares of BlackPearl positively and has a bullish rating on the stock.

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Pure Multi-Family REIT* (RUF'U : TSX-V : \$6.72), Net Change: -0.08, % Change: -1.18%, Volume: 7,744

WE HOPE YOUR JULY 4TH IS MORE EXCITING THAN READING ABOUT REITS. Pure Multi-Family REIT has had strong momentum on the acquisition front so far this year, after undertaking capital recycling activities over the past several years in which the REIT sold older Class B assets at attractive cap rates and used the proceeds to acquire newer Class A assets, enabling the significant lowering of the average portfolio age. Year-to-date, Pure Multi has acquired US\$206M of properties (including US\$48.8M under contract), exceeding the annual totals since the REIT's inception in 2012. With the latest equity offering now closed, Canaccord Genuity REIT Analyst Jenny Ma expects Pure Multi to remain active in pursuing acquisitions in the latter half of the year. She estimates the company will have the capacity to acquire an additional US\$94M of assets assuming a leverage ratio of 55%, or an additional US\$150M at 57% leverage. As such, Ma increased her acquisition assumptions to US\$400M (from US\$200M) for full-year 2017 and US\$200M (from US\$100M) for full-year 2018. She says that given the high quality of Pure Multi's portfolio and robust internal growth prospects, she believes the company is well-positioned for per-unit cash flow and NAV growth. Combined with an annualized distribution of US\$0.375 per unit (5.5% current yield) Ma's target price on Pure Multi stock leaves plenty of upside (for a REIT).

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U.S. EQUITIES OF INTEREST

Listed Alphabetically by Symbol

Bank Of America (BAC : US\$24.26), Net Change: -0.06, % Change: -0.25%, Volume: 82,345,524

Berkshire Hathaway (BRK'A : US\$254700.00), Net Change: 799.00, % Change: 0.31%, Volume: 0,255

LIKE AN AFTERNOON OF BEER AND FIREWORKS - STRESS FREE. Warren Buffett's Berkshire Hathaway is swapping its preferred shares in Bank of America into common shares worth about \$17B, making it the biggest shareholder of the lender. Berkshire said on Friday it would exercise its warrants for 700M common shares of Bank of America following a dividend increase to \$0.12 per share. The second-largest U.S. bank boosted its annual dividend on Wednesday to \$0.48 per share from \$0.30, beginning in Q3, after its plan to return capital was approved by the Federal Reserve under its annual "stress test" program. Buffett had bought \$5B of Bank of America preferred stock with a 6% dividend, or \$300M annually, in August 2011, when investors worried about the bank's capital needs. The purchase included warrants to acquire 700M common shares at \$7.14 each, less than one-third of Thursday's closing price of \$24.32. Analysts note that Buffett's move underscores his confidence in Bank of America CEO Brian Moynihan, who has worked to restore investors' confidence in his bank after it spent more than \$70B since the global financial crisis to resolve legal and regulatory matters, largely from its purchases of Countrywide Financial and Merrill Lynch. Berkshire, which is also **Wells Fargo's (WFC)** biggest shareholder, said it expected to use the preferred shares to fund the acquisition.

Cara Therapeutics (CARA : US\$15.35), Net Change: -10.16, % Change: -39.83%, Volume: 16,152,905

NOT THE FIREWORKS YOU WERE LOOKING FOR? Cara Therapeutics reported disappointing data from a key study testing its chronic pain treatment in patients with osteoarthritis. The drug developer was testing three dosages of its drug, CR845, in 476 patients with osteoarthritis of the hip or knee experiencing moderate-to-severe pain, against a placebo. Two dosages of the drug – 1mg and 2.5mg – failed to meet the main goal of reducing pain intensity in patients, while the 5 mg dose exhibited a statistically significant reduction in joint pain in patients with osteoarthritis of the hip, Cara said. However, the 5mg dose did not demonstrate reduction in joint pain of the combined patient group. Cara was hoping that CR845 would transform into a disruptive new pain medicine capable of displacing problematic opioids such as morphine or hydrocodone. These weak mid-stage results, however, suggest that this possibility is now off the table. The good news is that CR845's IV formulation for post-operative pain and its chronic kidney disease-associated pruritis (itching) treatment remain very much in play at this point. So while the drug's most lucrative indication appears to be a dead end based on these mid-stage results, Cara's lead product candidate could still haul in some respectable sales if everything else goes as planned.

Coach (COH : US\$47.34), Net Change: 0.48, % Change: 1.02%, Volume: 2,189,036

NOW PLAYING: INITIATION DAY! Canaccord Genuity Footwear & Apparel Analyst Camilo Lyon has initiated bullish coverage of Coach, saying the transformation taking place in its portfolio with the acquisition of **Kate Spade (KATE)** creates a new accessories/lifestyle platform that it can leverage globally. He views the KATE acquisition as transformative both from a financial and portfolio evolution perspective. First, Lyon expects KATE to be accretive to COH EPS by 9%, 17%, and 15% over the next three years yielding 2020 EPS of \$3.22. Next, the addition of KATE bolsters COH's portfolio of brands in a way that is complimentary to the overall business with significant market share capture potential and little threat of cannibalization. As such, Lyon believes COH should trade more closely to its European luxury portfolio peers that carry average P/E multiples of 22x and EBITDA multiples of 12x. With the Coach brand on solid footing and KATE providing an added growth vehicle to the portfolio, Lyon thinks COH is well positioned to deliver outsized performance over the next three years. He believes COH has done a great job reasserting itself as the NYC house of leather. In fact, under Creative Director Stuart Vevers the brand has effectively been revived and has a unique on-trend point of view. With the foundation of strong product innovation and solid brand positioning, Lyon believes COH ex-KATE can sustain a growth algorithm of +LSD comps, modest gross margin expansion and expense leverage that should yield LDD EPS growth. Moreover, with **Michael Kors (KORS)** now undergoing its brand repositioning, promotions in North America will be tempered and market share opportunities will be present for the taking.

[Click here for more](#)

Facebook (FB : US\$150.91), Net Change: -0.13, % Change: -0.09%, Volume: 14,903,536

AMERICA: WHERE A SOCIAL MEDIA COMPANY HAS A DIRECTOR OF AERONAUTICAL PLATFORMS. Facebook said late last week it had completed a second test of an unmanned aircraft designed to someday beam Internet access

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to remote parts of the planet, and unlike in the first test, the drone did not crash. The social media company plans to develop a fleet of drones powered by sunlight that will fly for months at a time, communicating with each other through lasers and extending Internet connectivity to the ground below. Facebook called the first test, in June 2016, a success after it flew above the Arizona desert for 96 minutes, three times longer than planned. It later said the drone had also crashed moments before landing and had suffered a damaged wing. The second test occurred on May 22, Martin Luis Gomez, Facebook's director of aeronautical platforms, said in a blog post. The aircraft flew for an hour and 46 minutes before landing near Yuma, Arizona, with only "a few minor, easily-repairable dings," he added. Facebook engineers said they added "spoilers" to the aircraft's wings to increase drag and reduce lift during the landing approach.

Hain Celestial (HAIN : US\$38.76), Net Change: 2.99, % Change: 8.36%, Volume: 12,533,357

CARE TO WASH DOWN THAT SIXTH HOT DOG WITH SOME FINE ORGANIC TEA? Activist investor Engaged Capital on Friday disclosed a 9.9% stake in Hain Celestial and is pushing for sweeping board changes and a potential sale of the natural and organic food company. The fund has proposed seven nominees for Hain's eight-person board, according to a regulatory filing. It is also pushing Hain to explore ways to unlock shareholder value, including a potential sale of all or part of the company. Engaged believes Hain, the maker of Celestial Seasonings teas and Terra chips, could fetch \$46 to \$73 a share in a sale based on recent acquisitions in the food industry, including **General Mills' (GIS)** takeover of Annie's in 2014, **Danone's (DANOY)** purchase of WhiteWave Foods, announced last year, and **Pinnacle Foods' (PF)** agreement to buy Boulder Brands in 2015, according to a person familiar with the matter. Engaged was an investor in Boulder before it was sold. The investor also thinks Hain has underperformed its peers and sees a significant opportunity to improve revenue and operating margins by streamlining its supply chain and complex assortment of products. Engaged has communicated with Hain's board and management about ways to create value for shareholders and may seek further talks, according to the filing. It said it may seek discussions with other stockholders, as well as proposing changes to the company's capital structure and ownership structure, among other possible actions.

Micron Tech (MU : US\$29.90), Net Change: -1.56, % Change: -4.96%, Volume: 73,190,510

DORITOS? LAY'S? WHO'S AMERICA'S LARGEST CHIP MAKER? Micron Technology forecast better-than-expected profit and revenue for the current quarter, as it benefits from improved prices of memory chips amid tight supply, coupled with demand from cloud-services providers and smartphone makers. With its shares up about 45% on the year, Micron expects revenue of \$5.70B-6.10B and a profit of \$1.73-1.87 per share for fiscal Q4. Analysts were expecting revenue of \$5.62B and a profit of \$1.57 per share. "We expect healthy industry demand to persist into 2018, reflecting broader trends in the data centre and mobile markets," CEO Sanjay Mehrotra said on a call with analysts. "Revenue from cloud customers was more than four times higher year-over-year. Analysts note that prices of dynamic random access memory (DRAM) chips, used in PCs and servers, have rebounded sharply due to high demand from rapidly growing cloud-services providers and a stabilizing PC industry. Micron, which gets more than 60% of its revenue from the sale of DRAM chips, said DRAM prices jumped 14% in Q3. The company says it is also seeing increasing demand for its chips from the automobile market.

Nike (NKE : US\$59.00), Net Change: 5.83, % Change: 10.96%, Volume: 46,306,459

SOMEWHAT LESS INDEPENDENT TODAY. The world's largest footwear maker reported quarterly profit and sales that topped estimates late Thursday. Revenue rose 5.3% to \$8.68B, beating the analysts' average estimate of \$8.63B. Excluding certain items, Nike earned \$0.60 per share, well ahead of the analysts' expected \$0.50. More importantly, the company said it would launch a pilot program with **Amazon.com (AMZN)** to sell a limited product assortment on its web site. Nike's comments confirmed an earlier report, which said the footwear maker was seeking to directly sell its products on Amazon, rather than through third-party and unlicensed dealers. "We're looking for ways to improve the Nike consumer experience on Amazon by elevating the way the brand is presented and increasing the quality of product storytelling," CEO Mark Parker said on a post-earnings call. In the face of intense competition in North America, Nike has been focusing on its new and core brands such as ZoomX, Air VaporMax and Nike React. The company earlier in June said it would cut 2% of its global workforce and trim a quarter of its shoe styles as it looks to become nimbler.

The New York Times (NYT : US\$17.70), Net Change: -0.10, % Change: -0.56%, Volume: 865,110

NEED A FREEDOM SALAD RECIPE FOR THIS AFTERNOON? The New York Times is turning its cooking web site and app into a subscription service, betting readers will pay for the content despite free recipes being widely available online. Starting this week, NYT Cooking will charge \$5 every four weeks, or \$65 a year, for access to more than 18,000 recipes from staffers like Melissa Clark and Sam Sifton. The service will rely on a metered model, meaning readers can get some content for free on the web, but everything on a dedicated iPhone app will be reserved for subscribers. The Times plans to offer an annual subscription at a discounted price at a later date. Created in 2014, NYT Cooking has amassed about 10M monthly

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Morning Coffee


readers. Executives say they're confident many will pay because the recipes are based on in-depth reporting that can't be found in a **Google (GOOG)** search. The Times says it brings "the same journalistic approach to our recipes that our reporters who cover Iraq use. For less than the cost of two avocados at Whole Foods (WFM) you can get access to the best recipes in the world." Like other publishers, the Times wants to rely more on paid subscribers and less on advertising, which has become a challenging business as print declines and Google and **Facebook (FB)** win the lion's share of online marketing dollars. Analysts says that with the new NYT Cooking, the company has to be careful not to alienate paid subscribers, who are about to find previously free content locked behind a second paywall. For a limited time, current digital and home delivery customers will have full and free access.

COFFEE BEANS

- Thomas Jefferson drafted the Declaration of Independence on a "laptop," a kind of writing desk that could fit on one's lap.
- July 4 is also Liberation Day in Rwanda and Republic Day in the Philippines.
- Calvin Coolidge (1872-1833) is the only US President born on July 4.
- It was actually on July 2, 1776, that America gained its independence.
- The Liberty Bell had nothing to do with July 4th. It wasn't called the "Liberty Bell" until the 1830s and that's also when it got its famous crack.
- In 2012, the vast majority of imported U.S. flags (\$3.6 million) were made in China.
- Only John Hancock actually signed the Declaration of Independence on July 4, 1776. All the others signed later.
- The Declaration of Independence was signed by 56 men from 13 colonies.
- Jefferson's original draft was lost and the one eventually signed is the "engrossed" document and is kept at the National Archives.
- The average age of the Signers of the Declaration of Independence was 45. The youngest was Thomas Lynch, Jr (27) of South Carolina. The oldest delegate was Benjamin Franklin (70) of Pennsylvania. The lead author of The Declaration, Thomas Jefferson, was 33.
- It has been estimated that 150 million hotdogs will be eaten in the US in today's celebrations.

Sources, CBS News, Express.co.uk, CNN.

THE LAST DROP: What was the most popular dance in 1776? Indepen-dance!

–Dad Jokes sub-reddit 

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