<u>GNAM Yale Investment Competition</u>

Top Pick - Magna International Inc: **(TSE:MG)**

Magna International Inc. (Magna) is a leading global automotive supplier. The Company's segments are predominantly focused in North America, Europe, Asia, while also servicing the rest of the world. Its product capabilities include producing body, chassis, exterior, seating, powertrain, electronic, vision, closure, and roof systems and modules, as well as vehicle engineering and contract manufacturing. The Company has over 309 manufacturing operations and over 99 product development, engineering, and sales centers in approximately 29 countries. The Company's operating unit, Cosma International, is an automotive supplier that provides a range of body, chassis and engineering solutions. Magna was first publicly listed in 1962.

Key Management

Donald Walker - CEO

Mr. Walker, age 59, Magna's Chief Executive Officer, is Management's sole representative on the Board. He brings extensive knowledge and understanding of the automotive industry, as well as the company's culture, operations, key personnel, customers, suppliers and the complex drivers of its success. His career started with the company in 1987.

Mr. Walker was Canada's 2014 Outstanding CEO of the Year™ and named to Fortune Magazine's Businessperson of the Year list in 2015.

Vincent J. Galifi - CFO

Vincent J. Galifi was appointed Magna International Executive Vice President and Chief Financial Officer in December 1997.

Galifi joined Magna International in 1989 as a Manager of Taxation. He subsequently held various positions.

SWOT Analysis

Strengths

- Global industry leader in service capabilities providing a diversified product suite, with the ability to supply parts for an entire vehicle.
- International presence operating in roughly 30 different countries.
- Dominant distribution network, with contracts to supply product to the top three automobile firms in the world, General Motors, Ford Motor Company and Chrysler.
- Economies of scale in production and distribution resulting in a competitive advantages.
- Well known brand in the industry and amongst global automobile manufacturers.
- 130,000 employees across the world.
- High barriers to entry in the market and key contracts held with automobile manufacturers create further barriers to Magna International's competitors.
- The increasingly complex nature of automobiles has generated a shift towards consolidating auto-part suppliers by automobile manufacturers which benefits producers like Magna.
- Strong financial performance, with ample free cash-flow and a solid balance sheet. Cash holdings on $500M, even after $600M was allocated to buy-back shares, and low leverage ratios.
- Magna's financial performance has allowed the company to buy-back stock, maintain a modest dividend, and continuously pursue mergers and acquisitions in the market.

Weaknesses

- A wide array of product lines across a multitude of countries makes managing expenses more complex and difficult.
- Customer concentration is not very well disbursed, as sales are concentrated towards a few large key customers. (However, partially mitigated by Magna's geographical diversification)
- Highly capital-intensive industry, resulting in high fixed cost when expanding into new markets.
- Heavy reliance on the North American market (56% of sales)

Opportunities

- Opportunity to develop and expand a B2C network for its automobile products.
- Increasing demand in developing countries as global per capita incomes rise.
- Magna has demonstrated success in the emerging Asian market and has generated a large presence, however significant opportunity for continued expansion remains.

Threats

- Foreign exchange rate fluctuations across markets must be mitigated with appropriate hedging strategies to reduce currency appreciation or depreciation risk.
- Threat of increased competition eroding market share.
- Industry profit margins are highly correlated with production commodity prices such as crude oil and steel, making the industry more vulnerable to fluctuations in input costs.

Bear vs. Bull

Bull

- High switching costs and high barriers to entry translate to market share stability.
- New contract revenue growth above global industry production volume should improve operating leverage in near term.
- Large vendors such as Magna are in the best position to gain share because they can offer a wide range of parts, modules, and complete systems.

Bear

- Magna relies heavily on Detroit automakers for almost 50% of sales
- The cyclical nature of the automotive industry as well as its capital intensity make it susceptible to large changes in profitability during downturns.
- Highly competitive industry and input costs are volatile resulting in unpredictable margins.

Industry Definition

(NAICS 441310) *"Companies in this industry manufacture motor vehicle parts and accessories other than engines, engines parts, batteries, tires, bodies and chassis. Motor vehicle assembling is not included in this industry. Manufacturers typically supply parts and accessories to original equipment manufacturers (OEM) for use in the manufacturing of complete motor vehicles or for replacement parts in OEM dealerships. They also supply parts to the aftermarket." – IBIS World*

Magna International – Industry Outlook

Auto Parts and Accessories Manufacturing Industry is expected to grow at an annualized rate of 3.5% globally to $2 trillion USD over the next five years. Members of emerging market middle classes are buying more automobiles than ever, due to globally rising income levels. The emerging market auto-part consumption growth is predominantly centered in the BRIC nations (Brazil, Russia, India, and China).

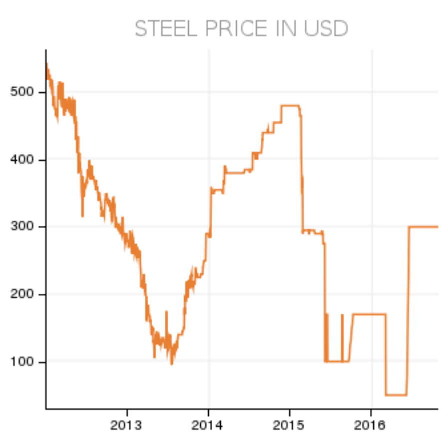
With this rise in global consumer auto-consumption, the demand for parts and accessories is rising and represents a strong investment opportunity. Currently, a strong influence on industry growth includes the beleaguered price of crude oil (WTI $49.18). The lower price of oil increases demand, and has consumers driving automobiles more, resulting in increased demand for replacement automotive parts.

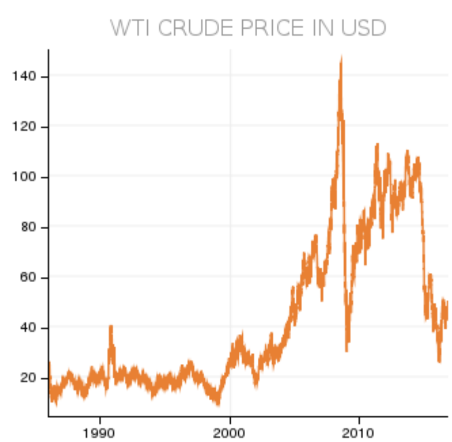
Additionally, OPEC's World Oil Outlook will be launched on November 8th, 2016 at the Abu Dhabi International Petroleum Exhibition and Conference, which will likely suggest minimal or stagnant growth to the price of oil for the remainder of Q4 2016 and for Q1 2017.

Commodity prices are a continuously volatile production input for players in this industry, and this volatility can be a source of difficulty for incumbents in this industry when trying to maintain input costs. The low price of crude oil has however, greatly benefited the industry and will continue to do so for Magna international.

The price of steel is also a determinant of success, as Magna International's profitability margins are correlated with the cost of steel, as the commodity constitutes one of the inputs in production. Steel prices have increased throughout 2016 (up 76% ytd), however the current market price ($300/tonne) is down 37.50% from the start of 2015.

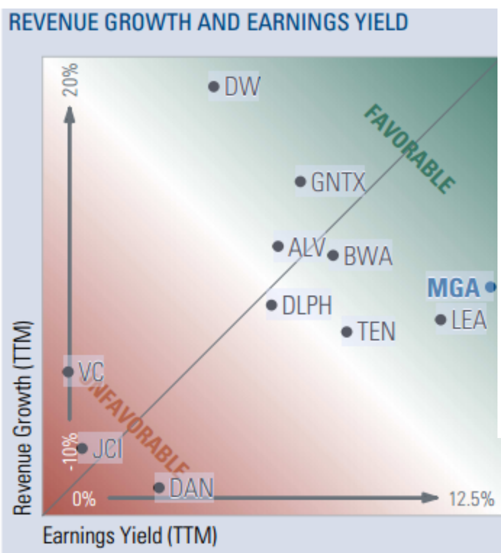
Another key driver of growth in the industry over the course of the next five years is believed to be the global increase in per capita incomes, annualized at 1.9%. This rise in per capita incomes will cause an increase in consumer spending and an increased investment in personal vehicles across the globe. Industry demand is heavily reliant on the global production of automobiles. With the rapidly growing middle class in the BRIC nation, coupled with continued mature growth in developed nations, the Auto Parts and Accessories Manufacturing Industry has a bright future, and Magna International represents a unique and primed investment opportunity.





Industry Competition

The Auto Parts and Accessories Manufacturing Industry is highly diversified and highly competitive with low market share concentration. The largest 75 players in the industry only account for 43.3% of the total market share, outlining the industry's market is disbursed amongst many smaller operators across many different countries. In North America, the industry includes more than 5,000 companies with around 6,000 operational factories, generating annual revenue of about $200 billion. With this said, the diversification is slowly reducing and the bigger industry players are buying up smaller producers in the industry to gain a competitive advantage and reduce costs where possible. Magna's key competitors include the but not limited to the following: Johnson Controls, Lear Corp, Robert Bosch Corp, BorgWarner Inc., Delphi Automotive Plc and Hyundai Mobis. It is often difficult to compete with suppliers in emerging economies in product segments with high labour costs, except for patented products or processes. Considering that, Magna focuses on providing innovative designs and processes in addition to areas where direct labour costs are relatively low. Find below peer comparison based on companies with comparable sizes. Companies that exhibit both a high earnings yield and high revenue growth are generally more attractive than companies with low revenue growth and low earnings yield. Companies for this scatter plot have revenue growth rates between -8.2% and 18%. Magna is in the favorable range as compared to competitors.



PEER GROUP: Auto Components

Ticker	Company Name
MGA	**MAGNA INTERNATIONAL INC**
ALV	AUTOLIV INC
LEA	LEAR CORP
BWA	BORGWARNER INC
GNTX	GENTEX CORP
JCI	JOHNSON CONTROLS INTL PLC
TEN	TENNECO INC
VC	VISTEON CORP
DW	DREW INDUSTRIES INC
DAN	DANA INC
DLPH	DELPHI AUTOMOTIVE PLC

Source: thestreet.com

Company	Ticker	Price	Dividend Yield	Market Cap	Price/ Earnings	Price/ Cash Flow	Price/Book Value
Magna International Inc	MG-T	54.41	2.46%	20710M	8.2	5.34	1.66
Linamar Corporation	LNR-T	54.01	0.74%	3530M	7.31	4.42	1.47
Borgwarner Inc	BWA-N	35.63 USD	1.46%	7650M	14.47	7.97	2.05
Lear Corporation	LEA-N	121.3 USD	0.99%	8560M	9.21	6.3	2.77
Tenneco Inc	TEN-N	54.66 USD	0.00%	3060M	12.06	5.81	6.63
AMERICAN AXLE & MANUFACTURIN HOLDINGS, INC.	AXL-N	17.58 USD	0.00%	1350M	5.38	2.96	2.94
Visteon Corporation	VC-N	69.80 USD	0.00%	2440M	98.87	20.47	3.66
Martinrea International Inc	MRE-T	7.96	1.51	678.4M	9.11	3.06	0.92

Magna had the second highest sales figures with 2% sales growth in 2015 as compared to three of its key competitors. Magna has tumbled with its peers amid concerns about new rivals in China, or companies such as Tesla Motors and Google parent Alphabet are about to overthrow incumbent auto manufacturers with electric or autonomous vehicles. The slide has left Magna’s price-earnings ratio at 8 times future earnings, the lowest among the world’s 10 largest auto suppliers, according to Bloomberg data. Despite that, Magna has experienced twelve straight quarters of better-than-projected results.

Company	Sales (US$ Bln) Fiscal Year ending 2015	Sales Growth
Magna International Inc	31.646	2.00%
Lear Corporation	18.211	2.70%
Hyundai Mobis	32.958	-0.50%
Delphi Automotive PLC	15.165	-10.90%

Foreign Exchange Implications - Note MG-T Financial Statements are reported in US dollars

There has been great speculation in the marketplace regarding a pending U.S. rate hike. The U.S. dollar was at a nine-month high against a basket of major currencies and on growing expectations of a Federal Reserve interest rate hike in December.

Recent positive economic data and comments from U.S. central bank officials have bolstered those expectations, with traders on Monday October 24 seeing a roughly 74 percent chance that the Fed will raise rates in December, according to data from CME Group's FedWatch program. We believe that although a Canadian based company (indicating a high FX risk) Magna International is largely insulated from a potential U.S. Rate hike.

The below table reflects the average foreign exchange rates between the most common currencies in which Magna conduct business. The three months ended June 30, 2016 impacted the reported U.S. dollar amounts of sales, expenses and income.

Q2 results	3 months ending June 30	3 months ending June 30	
	2016	2015	% Change
1 Canadian dollar equals U.S. dollars	0.776	0.813	-5%
1 Euro equals U.S. dollars	1.129	1.107	2%
1 British Pound equals U.S. dollars	1.435	1.533	-6%
1 Chinese Renminbi equals U.S. Dollars	0.153	0.161	-5%
1 Brazilian Real equals U.S. dollars	0.285	0.325	-12%

The below table indicates that due to FX environments in the market place, Magna's U.S. reported revenue was $107 million below the actual increase in revenue due to weaker currency relative to the U.S. dollar.

Sales	2016	2015	% change	YoY Change	$ Change from FX rate
External production	(millions)	(millions)	%	(millions)	(millions)
North America	4902	4583	7%	319	-73
Europe	2486	1829	36%	657	5
Asia	499	390	28%	109	-26
Rest of World	107	125	-14%	-18	-26
Complete Vehicle Assembly	652	607	7%	45	13
Tooling Engineering and other	797	599	33%	198	-
Total Sales	$9,443	$8,133	16%	$1,310	($107)

Decrease in revenue from FX is mitigated by the following for Magna

COGS increased $1.08 billion to $8.05 billion for the second quarter of 2016 compared to $6.96 billion for the second quarter of 2015. This was partially offset by net decrease in reported U.S. dollar cost of goods sold primarily due to the weakening of the Canadian Dollar, Chinese Renminbi, Russian Ruble, Argentine Reso, Brazilian Real and British Pound each against the U.S. dollar partially offset by the strengthening of the Euro against the U.S. dollar.

SG&A expense as a percentage of sales was 4.4% for the second quarter of 2016 compared to 4.3% for the second quarter of 2015. SG&A expense increased $66 million to $414 million for the second quarter of 2016 compared to $348 million for the second quarter of 2015. Again this increase in cost was partially offset by a decrease in relative wages from foreign currency against to U.S. dollar.

Financial Overview

Magna has a strong balance sheet with very little debt and strong liquidity ratios. Magna has reported a very low debt to capital ratio for the past 10 years, interest expense is low as management has chosen to reduce principle debt amounts, effectively hedging risk to profit during a potential downturn. With this financial position, Magna could make a relatively large acquisition if the right opportunity were to present itself, and the company has a history of M&A activity. Although it is believed the capital structure utilized by Magna is efficient, there could be added benefit if they were able to take advantage of a debt tax shield. The company currently has no outstanding debt on their $2.75 billion loan facility with the Bank of Montreal.

Magna's has a long history of funding its capital needs through equity and/or cashflow. As mentioned above the company has an undrawn unsecured $2.75 billion revolving credit facility. Minimal amounts outstanding on bank term debt and other outstanding indebtedness averages less than $500 million on a balance sheet with total liabilities and owners' equity of around $20 billion.

Key Financial Ratios

	Last Twelve Months as at 06/30/2016	Last Twelve Months as at 12/31/2015
Enterprise Value/Sales	0.6	0.5
Enterprise Value/EBITDA	5.1	5
Enterprise Value/EBIT	6.8	6.4
Total Debt/Enterprise Value	0.2	0.2
Total Debt/EBITDA	0.9	0.8
EBITDA/Interest Expense	44.7	60.5
Price/Earnings	8	8.8
Price/Sales	0.5	0.5
Price/Cash Flow	5.6	6.6
Price/Book Value	1.7	1.8
Return on Assets	11.1	11.1
Return on Equity	23.6	23.1
Return on Invested Capital	41.8	19.3

Investment Rational

- ***North Americas Exposure has been heavily discounted in current price:*** Many investors have remained worried that Magna's North American exposure is one of the highest among suppliers in its market, with 56% of consolidated sales generated in this market. We believe that due to high switching costs and Magna's ability to perform Complete Vehicle Assembly (CVA), sticky market shares mitigate this risk.
- ***Underestimating upside:*** It is expected that Magna will continue to out perform competitors in their main lines of business which account for 45-50% of production revenue.
    - As we expect the industry to have significant growth in 2017, Magna will undoubtedly benefit from this growth on the top line (anticipated YoY revenue growth of 10%).
    - Industry reports signal that Magna's European Assembly business will likely ramp up faster than previously assumed. We have anticipated this will increase 2017 growth of Complete Vehicle Assembly (CVA) significantly in our forecasts.
    - Lastly, the increase in capacity additions for Chrysler's operations should provide meaningful benefits by late 2017, early 2018.
- ***Favourable Risk/Reward:*** Magna currently trades at 7.95 times our 2017 forecasted P/E ratio. Magna expects an 8% revenue CAGR in their Auto Parts business and a 30-34% revenue CAGR in their Vehicle Assembly business between 2015-2018. Based on our DCF analysis, our projected 12 months target price is $65 (~9.5x 2017 P/E) from $55 which is based on our increased outlook for the industry and business.
    - Risks to strategy: Lower sales in primary North America market. Potential for increased pricing pressure in Magna's other lines of business including complete vehicle assembly.
- ***Share Buyback opportunities:*** In addition to $582 MM deployed to repurchases during 1H 2016, Magna presents an upside opportunity to continue this practice moving forward. In 2015 Magna repurchased

10.6 million shares for $515 million. In 2014 it repurchased $1.8 billion. Although cash reserves have been depleted ($600 million Q2 2016, vs $2.9 billion Q4 2015) in the event that the stock price was to fall, Magna could continue its practice by exercising a share buyback.

Forecasted Sales Growth:

- As mentioned in investment rational we expected complete vehicle assembly (CVA) revenue to increase significantly. This is due to new contract announced with BMW for CVA of their 5 series sedan.
- Magna forecast 2018 CVA sales between $5.3 – $5.8 Billion from $2.4 billion in 2015. Based on industry outlook and increased capacity in Chrysler operations we believe there is additional upside to this.
- We also expect continued margin improvement in Europe over the mid-term. The company recently increased their 2016 European margin target to 4.5% from 4.0% previously. This updated target is in-line with Magnas previous margin target for the region. Our forecast indicate a constant gross margins in order to be conservative as we believe there remains price pressure from competitors in the marketplace.
- Opportunity for growth still remains in Asia as only 6% of the company's sales are from this region. Although countries like China have seen a slow down in their GDP growth it is a relative slow down still growing 6.7% in 2016. Even with the slowdown in China Magna showed no 12 month calendar decrease at all in automotive production, but in fact grew.

Valuation

Our five-year forecast includes a very conservative scenario modeled around a 5.5% revenue CAGR. This rate reflects the possibility of a recovery in worldwide demand. The base case scenario assumes EBITDA margins to remain constant. We assumed a Capital Expenditure level of 5.0% of Sales. This level is aligned with last year investment level and future requirements to guarantee expansion. For Working Capital forecast, ratios of all relevant balance sheet accounts are based on the average of last years.

For the DCF valuation we used a USD cash flow, Terminal growth rate of 2.0% and a WACC of 7.7%, which includes Magna's sensitivity to the economic cycle and the high degree of equity in the capital structure. The WACC was calculated using the CAPM model, which includes a Risk-Free Rate of Return of 1.85% (yield of the 10-year US Treasury Bonds), a Beta of 1.28 (for the Auto Parts Industry) and the Market Rate of Return (Historical Returns on Stocks - T.Bonds: 4.54%).

Based on these assumptions the resulting target price is USD 80.58 and an upside of 47.8%.

Estimates	2015	2016	2017	2018	2019	2020
Sales	32,134	35,347	38,175	40,466	42,084	43,768
EBITDA	3,127	3,442	3,717	3,940	4,098	4,262
EBITDA Margin	9.7%	9.7%	9.7%	9.7%	9.7%	9.7%
Net income	1,940	1,961	2,041	2,071	2,042	2,013
Earnings per Share	4.72	4.93	5.13	5.20	5.13	5.05
Shares outstanding (Millions)	412.70	399.40	399.40	399.40	399.40	399.40
Cash dividends paid per share	0.88	0.87	0.90	0.92	0.90	0.89
Net Assets	11,674	12,470	14,128	15,827	17,505	19,161
Total Debt	2,557	2,346	2,323	2,316	2,312	2,311
Shareholders' equity	9,117	10,124	11,805	13,511	15,193	16,850
Debt to equity ratio	0.28	0.23	0.20	0.17	0.15	0.14
Working Capital	1,241	1,406	1,519	1,610	1,674	1,741
CapEx	1,591	1,767	1,909	2,023	2,104	2,188
Cash from Operating Activities	2,332	2,686	3,003	3,251	3,455	3,638
Repayments of debt	99	211	23	7	4	1
Dividends paid	354	346	360	366	361	355

DCF	2015	2016	2017	2018	2019	2020
EBITDA		**3,442**	**3,717**	**3,940**	**4,098**	**4,262**
(–) Changes in NWC		(165)	(112)	(91)	(64)	(67)
(–) Capex		(1,767)	(1,909)	(2,023)	(2,104)	(2,188)
(–) Taxes		(732)	(761)	(772)	(761)	(751)
FCF		**777**	**935**	**1,054**	**1,168**	**1,256**
Terminal Value						25,965
Net FCF		**777**	**935**	**1,054**	**1,168**	**27,221**
NPV FCF		**777**	**868**	**909**	**935**	**20,245**
Discount factor		*1.0*	*1.1*	*1.2*	*1.2*	*1.3*

Intrinsic Value	
Enterprise Value	23,734
(+) Cash	2,863
(–) Debt	(2,557)
Equity Value	24,040
Equity Value / Share (USD)	60.19
Equity Value / Share (CAD)	80.58

Sensitivity Analysis

We have run a sensitivity analysis showing the average share price with varying growth rates and WACC. As demonstrated below the share price of Magna increases with an increase in terminal growth rate and a decrease in WACC. We believe Magna is undervalued and recommend a **BUY** on this stock

Share Price Sensitivity analysis		**Terminal Growth Rate**				
		3.50%	**3.00%**	**2.50%**	**2.00%**	**1.50%**
WACC	**6.50%**	**110**	**102**	**96**	**91**	**88**
	7.00%	**100**	**94**	**90**	**86**	**83**
	7.50%	**93**	**88**	**85**	**82**	**80**
	8.00%	**87**	**83**	**81**	**78**	**76**
	8.50%	**82**	**79**	**77**	**75**	**73**
	9.00%	**78**	**76**	**74**	**72**	**71**

Additional Sensitivity Analysis

Sensitivity analysis		**Sensitivity analysis**	
Revenue % growth	**Share Price (CAD)**	**COGS % Change**	**Share Price (CAD)**
	81		**81**
-4%	**71**	**-2.00%**	**110**
-3%	**73**	**-1.50%**	**103**
-2%	**75**	**-1.00%**	**95**
-1%	**78**	**-0.50%**	**88**
0%	**81**	**0.00%**	**81**
1%	**83**	**0.50%**	**73**
2%	**86**	**1.00%**	**66**
3%	**89**	**1.50%**	**58**

Our Stock Picks:

ProMetic Life Sciences Inc. (TSE:PLI)

Trading Price: $2.94, Market Cap: $1.71 billion (as at October 28th, 2016)

Description: ProMetic Life Sciences Inc. (ProMetic) is a Canada-based biopharmaceutical company. The Company has two segments: Small Molecule Therapeutics and Protein Technology. The Company offers its technology platform for large-scale drug purification of biologics, drug development, proteomics and the elimination of pathogens to various industries.

ProMetic Life Sciences Inc. has been given a $5.00 price target by equities research analysts at Scotiabank. The brokerage presently has an “outperform” rating on the stock. Scotiabank’s price objective would suggest a potential upside of 66.11%.

Prometic's plasminogen has met it's primary and secondary end point targets in its first and second phase of three pivotal trial phases. This 100% success rate on meeting clinical trials thus far will be instrumental in accelerated regulatory pathway approval.

Prometic has been the topic of several other research reports. TD Securities reaffirmed a “speculative buy” rating and issued a $4.50 price target on shares of ProMetic Life Sciences. Bloom Burton reaffirmed a “hold” rating on shares in a report on Thursday, October 13th. Royal Bank of Canada reaffirmed an “outperform” rating on shares of in a report on Thursday, August 25th. Finally, CIBC decreased their price target on shares from $5.00 to $4.85 in a report on Thursday, August 25th. Two research analysts have rated the stock with a hold rating and seven have issued a buy rating to the company’s stock. ProMetic Life Sciences currently has an average rating of “Buy” and an average price target of $4.84.

Algonquin Power & Utilities Corp. (TSE: AQN)

Trading Price: $11.76, Market Cap: $3.2 Billion (as at October 28th, 2016)

Algonquin Power & Utilities Corp. (APUC) is a Canada-based company engaged in owning and operating a portfolio of diversified generation, transmission and distribution utility assets. The distribution business group provides rate regulated water, electricity and natural gas utility services to over 564,000 customers in the United States. The generation business group owns a portfolio of North American based contracted wind, solar, hydroelectric and natural gas powered generating facilities representing more than 1,300 MW of installed capacity. The transmission business group invests in rate regulated electric transmission and natural gas pipeline systems in the United States and Canada.

APUC is currently undertaking the legal process of acquiring The Empire District Electric Company (EDE), after both companies have struck the deal earlier in the beginning of 2016. This acquisition is aligned with APUC’s financial objectives which provides support to APUC’s 10% annual dividend growth rate target. Empire will complement APUC’s operations in the states of Missouri and Arkansas in addition to their experienced management team. APUC has experienced a Revenue increase from Cad $180million in 2010 to Cad $1.08billion in 2015. As for Net Income grew from Cad$ 18million to Cad$ 117million from 2010 to 2015. Algonquin Power & Utilities Corp has been assigned a C$14.00 price objective by equities researchers at Scotiabank. The firm currently has an “outperform” rating on the stock. Scotiabank’s target price points to a potential upside of 19.97% from the company’s previous close on Thursday 27 October, 2016.

TIO networks (TSXV: TNC)

Trading Price: $2.37, Market Cap: $223 Million (as at October 28th, 2016)

TIO Networks specializes in processing bill payment transactions through internet enabled platforms. The company through its subsidiary Global Express Money Orders, Inc. is licensed to sell money orders in 14 states and the District of Columbia.

TIO Networks made the 2016 PROFIT 500 list with five-year revenue growth of 125%. This is the sixth year in a row TIO has been listed among the country's most successful growth companies on the PROFIT 500 and PROFIT 200, with revenue growth each year exceeding 100% YoY. TIO has experienced monumental growth this past year with the acquisition of Softgate Systems, positioning the Company as the largest provider of walk-in bill payment services across North America. The company launched TIO.com, the first TIO branded direct-to-consumer web portal where consumers can pay common U.S. household bills quickly from any Internet enabled device.

TIO Networks Corp share price closed at $2.37 on Oct 28th, 2016. We project the price will reach a median target of $2.88, with a high estimate of $3.35 and a low estimate of $2.50 in next six month. The median estimate represents a 21.5% increase from the last price of $2.37.

Pacific Insight Electronics Corp: (TSE:PIH)

Trading Price: $8.30, Market Cap: $55.26 Million (as at October 28th, 2016)

PIH is an electronic solutions provider to the automotive, commercial and specialty vehicle markets and are currently trading at 5.85 times earnings. Stock price has dropped significant since FYE 2016 despite year over year revenue growth of 54% and 2016 EPS is $1.53 vs $0.41 in 2015. PIH reports a Williams Percent Range or 14 day Williams %R was spotted of -81.08. Levels can range from 0 to -100. A number charting between -80 to -100 may be typically viewed as strong oversold territory. A value between 0 to -20 would represent a strong overbought condition. We believe that this stock is largely unknown due to it location in Nelson BC (a small town in northern British Columbia). Despite this the company has now expanded into new markets including the U.S and Mexico. With the anticipate growth of the automobile market we believe this positions the company very well.