



## Why Indigo (TSX:IDG), Cascades (TSX:CAS), & Canfor (TSX:CFP) Shares Raced Higher Wednesday

### Description

While the TSX is down slightly Wednesday on lower energy prices, three stocks are racing higher due to positive news about each business.

Should you be interested in any of them? Here's what we know so far.

### Indigo Books & Music

**Indigo Books & Music** ([TSX:IDG](#)), the Toronto-based book and general merchandise chain, jumped more than 7% on speculation that it could be the next company to be taken private.

Although rumours haven't surfaced about possible interest in Indigo, former portfolio manager Bob Tattersall wrote an article in the *Globe and Mail* Wednesday wondering if CEO Reisman and Husband Gerry Schwartz, who owns 58% of the voting stock, would be interested in taking the retailer private.

Recently, New York-based hedge fund Elliott Management made an offer to take **Barnes & Noble** private.

Indigo, which has no debt and \$128 million in cash, would be very attractive to private equity buyers who would be getting a well-known Canadian name for 2.5 times cash flow, about half what Elliott Management is paying for Barnes & Noble.

The smart money says a deal will happen.

### Cascades

As I write this with less than an hour left in Wednesday's trading, **Cascades** ([TSX:CAS](#)) stock is up by almost 14% on the day.

What's up with the double-digit move?

Well, to start, TD Securities analyst Sean Steuart raised Cascades stock from "hold" to "buy" Wednesday while also raising his price target to \$11.50 — 4.5% above the previous target and \$0.25 higher than the average analysts' price.

Other than the analyst upgrade, there doesn't appear to be anything else fueling its rise on the day.

## Canfor

**Canfor** ([TSX:CFP](#)), one of the largest producers of sustainable lumber and pulp and paper announced that it is significantly curtailing production capacity at its B.C. sawmills. The cuts in production will last from two weeks at a majority of its mills to six weeks at its mill in Mackenzie, B.C.

The lumber markets at the moment combined with the high cost of fibre have made its B.C. mills unprofitable to operate. The cuts in production will reduce Canfor's production output by 200 million board feet out of a total capacity of 3.6 billion.

Canfor's stock is up almost 8% on the news.

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1. Investing

### POST TAG

1. Editor's Choice

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1. TSX:CAS (Cascades Inc.)
2. TSX:CFP (Canfor Corporation)
3. TSX:IDG (Indigo Books & Music)

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