



**INVEST LIKE A PRO, WITH THE PROS!**



See the [\*new Digest\*](#) for a steady grower that has more than 25% upside after the company raised \$125 million to help drive its expansion plan.

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Did you notice *McDonald's* the other day bought a company for \$300 million, which has technology the fast-food giant will use to modernize its drive-thru menu?

That's the kind of innovation *Lara Skripitsky* oversees at the company's Canadian operations as chief technology officer.

[Here's our conversation](#) from *DX3 Canada* about how McDonald's uses technology to improve efficiency and the customer experience.

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## Morning Need to Know

Getting you ready for your investing day

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Capital Ideas Media



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## CANADIAN ANALYSTS' CALLS

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### INITIATIONS

**Home Capital Group (TSX:HCG)** is rated a "buy" at GMP Capital.

**European Commercial REIT (TSX:ERE.UN).** GMP starts with a "buy".

**Encana (TSX:ECA;NYSE:ECA).** Barclay's starts coverage with an "overweight" and a price target of \$11 (U.S.)

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**AltaGas Canada (TSX:ACI).** CIBC upgrades to "outperformer" and hikes the target to \$19 (Canadian) from \$17.

**Canadian Natural Resources (TSX:CNQ).** Evercore ISI upgrades to "outperform" with a target of \$48.

**Surge Energy (TSX:SGY)** is upgraded to "buy" at GMP.

**ShawCor (TSX:SCL).** AltaCorp reinstates coverage with an "outperform" and a target of \$28.50.

**Fortis (TSX:FTS).** CIBC is raising the price targets for a number of Canadian utilities based on "*favourable trends*", interest rates, and valuation gaps with U.S. utilities. The target for Fortis goes to \$52 from from \$49.

**Capital Power (TSX:CPX)** CIBC moves its target to \$31.50 from \$30.

**Canadian Utilities (TSX:CU)** sees its target lifted by CIBC to \$38 from \$35.

**Gibson Energy (TSX:GEI)** gets its target moved to \$25 from \$22 by CIBC, while Raymond James boosts the target to \$25 from \$23 and maintains a "neutral" rating.

**EXFO (TSX:EXF;NASDAQ:EXFO)**. National Bank raises the target to \$4.25 from \$3.75.

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## U.S. ANALYSTS' CALLS

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**Netflix (NASDAQ:NFLX)** is now a "top pick" at JP Morgan.

**Merus N.V. (NASDAQ:MRUS)**. RBC upgrades the biotech to "outperform" and boosts the target to \$23 (U.S.) from \$18.

**Caterpillar (NYSE:CAT)**. Deutsche Bank cuts to "hold" from buy as it expects the heavy machinery company's backlog growth to turn negative.

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## STOCKS THAT MAY MOVE

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**Tricon Capital Group (TSX:TCN)** is buying **Starlight U.S. Multi-Family (No. 5) Core**



**Fund** (TSXV:STUS.A;TSXV:STUS.U), which owns 23 multi-family properties in the U.S. southeast, for \$1.4 billion in stock.

To fund the deal, Tricon will issue nearly 51 million common shares at \$13.10 per share. Tricon said it will also assume about \$916 million of the fund's debt.

**Brookfield Asset Management** (TSX:BAM.A;NYSE:BAM) is considering buying three office towers and a retail mall at Greenland Huangpu Centre in Shanghai for about \$2 billion.

**Hudson's Bay** (TSX:HBC) handily beat analysts estimates with its adjusted quarterly earnings with online sales up 8.7% from last year but same-store sales fell 1.4%.

The retailer took an overall net loss of \$226 million due to a restructuring charge.

**Disney** (NYSE:DIS). The company's forthcoming movie Avengers:Endgame had first-day advance ticket sales that surpassed the last two Star Wars movies, according to ticketing site Fandango.

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## MARKETS

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The TSX and U.S. stock futures are pointing higher partly on reports China and the U.S. have settled 90% of their trade issues with

talks resuming today in Washington.

**European stock indices** are up with Germany's DAX gaining about 1%.

In Asia, enthusiasm for the trade talks progress and the fact China services sector hit a 14-month high helped to send the **Hang Seng** higher 1.2%, the **Shanghai Composite Index** jumped 1.2%, and Japan's **Nikkei** gained nearly 1%.

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## **CURRENCIES**

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The Canadian dollar is slightly higher at \$0.7509 (U.S.).

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## **COMMODITIES**

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West Texas Intermediate is steady at \$62.62 a barrel.

Gold is down a bit at \$1,293 an ounce.

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## **Daily Update**

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How can open banking help consumers get control of their data?

*Abhishek Sinha*, Partner at EY, and wearer of multiple hats, explains in our [new video](#) from our entrepreneur and startup series at *DX3 Canada*.

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Please email questions, comments or concerns to:

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[Mark Bunting](#)



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