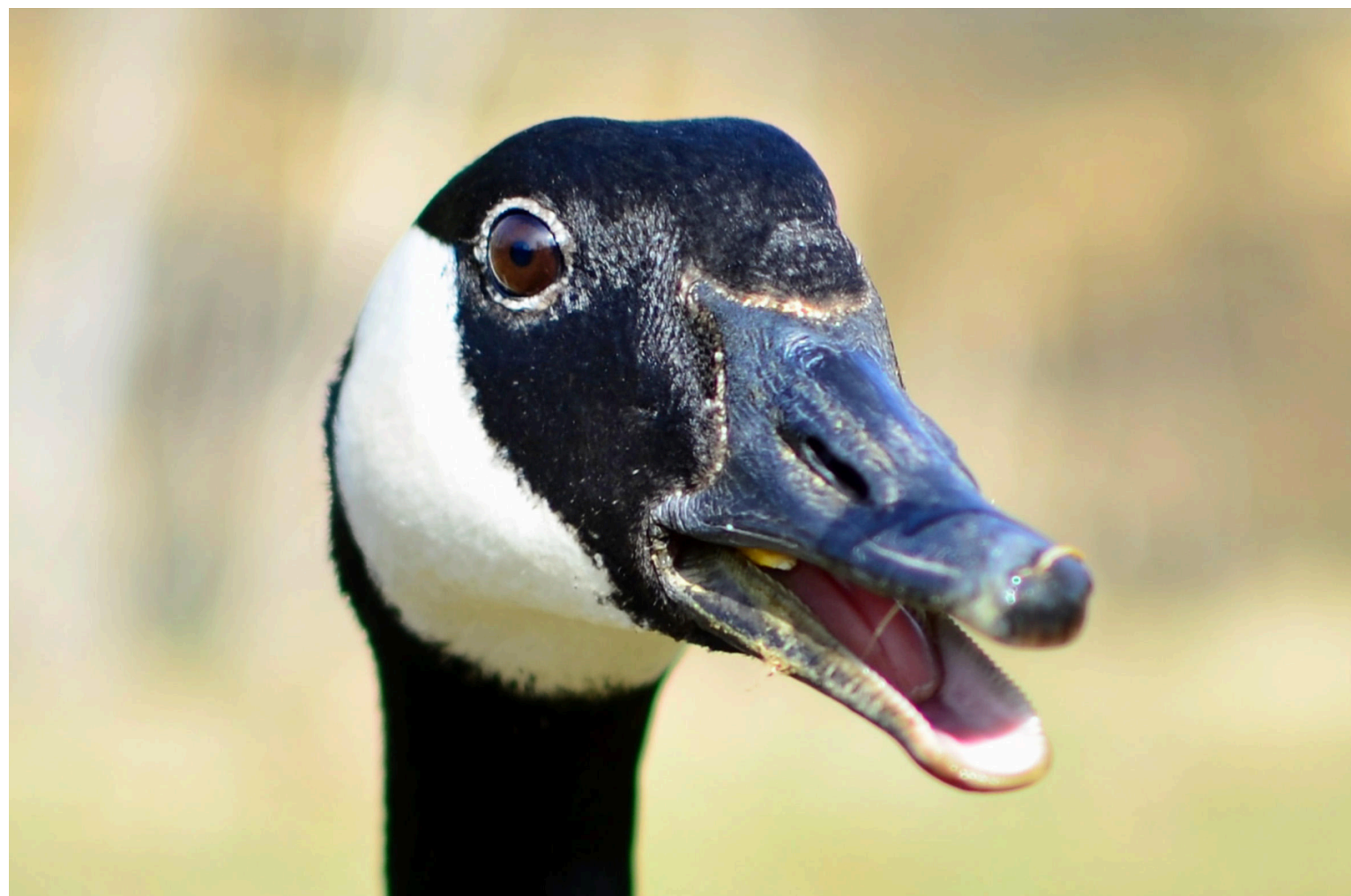




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Keep reading for analyst calls on Canada Goose and big Capital Ideas' winners Descartes and Kneat.com.

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Morning Need to Know

Getting you ready for your investing day

May 30, 2019



CANADIAN ANALYSTS' CALLS

Truelieve (CSE:TRUL). Beacon Securities raises the price target to \$36 (Canadian) from \$32, **which implies 119% upside** in the next 12 months, hikes its 2020 EBITDA estimates, and maintains "buy" after the U.S. multi-state operator delivered solid revenue and EBITDA growth.

Haywood Securities hikes the target on TRUL to \$32 from \$28.50 and maintains "buy".

Xebec Adsorption (TSXV:XBC). Beacon Securities moves the price target to \$2.25 from \$1.90, **implying 42% upside**, and maintains "buy" after the company reported quarterly earnings results.

Descartes Systems Group (TSX:DSG) has gained **63%** since our cover story in early March of last year.

Now Barclays ups the target to \$61 from

\$55 citing the company's acquisition strategy and high visibility of revenue. The stock closed Wednesday at \$54.59.

Kneat.com (TSXV:KSI). And this one's higher by nearly 30% since we featured it in early September of last year. Mackie Research reiterates a "buy" rating and a target of \$2.50, indicating 68% gains, following earnings results last night.

CannTrust (TSX:TRST; NYSE:CTST). BMO Nesbitt Burns upgrades to "speculative outperform" and lifts the target to \$11 from \$10.

Tourmaline (TSX:TOU) gets upgraded by BMO Nesbitt Burns to "outperform" with a \$23 target.

Canada Goose (TSX:GOOS). CIBC lowers the price target to \$69 from \$95 and maintains "outperformer" rating after the stock plunged 31% yesterday to \$45.94 as the parka maker's quarterly revenue decelerated sharply.

CIBC says near-term catalysts are "scarce" and Q1 should be "weak" but that valuation has gone from "impediment to attractive" and it sees "compelling upside".

CIBC has conducted investment banking business with GOOS within the last 12 months.

RBC lowers the target on GOOS to \$75 from \$90, raises its EPS estimates for 2019, 2020 and 2012, and maintains "outperform".

Bank of America Merrill Lynch cuts GOOS to "neutral" and reduces the target to \$54 from \$93.



U.S. ANALYSTS' CALLS

Penumbra (NYSE:PEN). J.P. Morgan upgrades the medical device maker to "overweight".

Tesla (NASDAQ:TSLA). Barclays cuts the target to \$150 (U.S.) from \$192, and maintains "underweight", saying the company is "stalling as a niche automaker".

STOCKS THAT MAY MOVE

VIVO Cannabis (TSXV:VIVO). Cannabis companies continue to reveal their quarterly financial results. VIVO saw Q1 revenue surge to \$5.1 million (Canadian) from \$500,000 a year ago. Net income was \$5 million or 2 cents per share compared to a loss of \$7 million or 8 cents a year ago.

Cresco Labs (CSE:CL) had Q1 revenue of

\$21.1 million, up 313% from last year. Its net loss was \$7.6 million, compared to a profit last year of \$600,000.

Big Rock Brewery (TSX:BR)

has announced “significant cost-cutting measures” citing Alberta's "104% increase in the net Alberta beer mark-up (provincial tax) imposed on Big Rock by the previous government of Alberta in late 2018 (being a 160% increase since 2016)... which has... eroded the profitability achieved by Big Rock in 2018."

National Bank (TSX:NA) said quarterly profit rose 2%, slightly below estimates, raised its quarterly dividend three cents a share to 68 cents a share, and said it plans to buy back up to six million shares.

MARKETS

The TSX and U.S. stock futures are modestly higher as a senior Chinese diplomat calls the U.S. provoked trade dispute "naked economic terrorism", and government bond yields continue to plumb low and even negative levels.

CURRENCIES

The Canadian dollar is modestly higher at \$0.7410 (U.S.).

COMMODITIES DAILY UPDATE

West Texas Intermediate is up slightly to nearly \$58.91 a barrel

Gold is down a bit at \$1,285.20 an ounce.

DAILY UPDATE



A reminder to access the new [*Capital Ideas Digest*](#) which examines independent research on a stock idea that:

- Operates in a hot sector
- Is deeply undervalued compared to peers
- Has a competitive IP advantage
- Sits on \$50 million+ U.S. in cash

- Is set for a gain of 85%

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