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**Aecon is up a decent 22% since we made it a turnaround idea in late May of 2018.**

Keep reading for the factors that give the company more runway for 45% gains.

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**Morning Need to Know**

Getting you ready for your investing day

**June 10, 2019**



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## CANADIAN ANALYSTS' CALLS

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### INITIATIONS

**AltaGas (TSX:ACI)**. Beacon Securities starts coverage with a "buy" and a price target of \$27 (Canadian).

**Vermilion Energy (TSX:VET)**. Eight Capital reinstates coverage with a "buy" and a target of \$42.

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**Aecon (TSX:ARE)** gets its target raised to \$26 from \$23, giving the stock 45% upside, and the rating is maintained at "strong buy" at Raymond James with the analyst saying "*now is the time for Aecon to shine*".

Analyst Frederic Bastien goes on to say:

*"The past years have seen Aecon Group take giant steps in diversifying its business, bidding with*

*increased discipline and executing jobs more efficiently. These efforts are enabling the contractor to capitalize on opportunities of all sizes across Canada and outperform its peers with consistently solid operating results... we have every reason to stay bullish on the stock."*

**Enghouse Systems (TSX:ENGH)** gets its target raised to \$47 from \$45 by TD Securities following a couple of acquisitions.

**Martinrea (TSX:MRE)**. CIBC maintains "outperformer" and a price target of \$17, saying it expects a relief rally now that the U.S. has suspended tariffs against Mexico. MRE gets about 18% of its business from Mexico.

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## **U.S. ANALYSTS' CALLS**

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### **INITIATIONS**

**Dupont (NYSE:DD)**. Cowen & Co. starts coverage with an "outperform" now that it can focus on its core businesses after spinning off the agricultural and materials unit.

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**Sirius XM (NASDAQ:SIRI)**

Credit Suisse upgrades to "outperform", moves its revenue and EBITDA estimates higher for 2019 and 2020, with the target steady at \$7 (U.S.).

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## STOCKS THAT MAY MOVE

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### **Drone Delivery Canada (TSXV:FLT;NASDAQ:TAKOF)**

has promoted Senior VP of Operations and Strategy Michael Zahra to CEO with former CEO Tony Di Benedetto moving to the role of head of business strategy. The company announced a "milestone" 10-year deal last week with Air Canada.

**Hudson's Bay (TSX:HBC)** is halted until 9:45 am EST as a shareholder group led by Chairman Richard Baker made an offer to take the company private at \$9.45 (Canadian) a share. The stock closed Friday at \$6.37. HBC is also selling its European assets and a stake in a joint venture for \$1.5 billion.

**Héroux-Devtek (TSX:HRX)** is buying Montreal-based Alta Precision, a maker of landing gear components, for \$23 million.

**United Technologies (NYSE:UTX)** and **Raytheon (NYSE:RTN)** are both higher in pre-market trading after the companies announced a merger of equals forming a \$120 billion aviation and defense giant.

**Salesforce.com (NYSE:CRM)** is buying data analytics platform **Tableau Software (NYSE:DATA)** in an all-stock deal valued at \$15.7 billion, a 42% premium to Tableau's Friday closing price.

**Merck (NYSE:MRK)** is buying Tilo Therapeutics for \$773 million.

**Tilray (NASDAQ:TLRY)** is higher pre-market after the company struck an arrangement that extends the lockup period and allows for the orderly sale of the 77% of outstanding shares held by the largest shareholder Privateer Holdings.

**Shutterfly (NASDAQ:SFLY)** is on the auction block and private equity group **Apollo Global Management (NYSE:APO)** is in the lead to buy the digital imaging company.

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## MARKETS

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**The TSX and U.S. stock futures** are higher after U.S. President Donald Trump backtracked on tariffs against Mexico.

In economic data, China's exports unexpectedly grew in May as some exporters rushed out deliveries ahead of expected new tariffs from the U.S. while imports dropped the most in three years.

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# CURRENCIES

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The Canadian dollar is slightly lower at \$0.7531 (U.S.).

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# COMMODITIES

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West Texas Intermediate is up 0.5% to \$54.26 a barrel.

Gold is down by 1.1% to \$1,331.10 an ounce.

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# DAILY UPDATE

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Investors seem to be catching *Heritage Cannabis* (**CSE:CANN**) at the right time.

**The stock rose 26% last week after our video interview was posted.**

**The shares are up 182% year-to-date and have outperformed Valens GroWorks.**

Watch our overview of the cannabis oils sector and [\*interview with CEO Clint Sharples\*](#).

He says Heritage wants to have as much as **\$50 million in annualized revenue** by the end of this year, which will lead to profitability.

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**Mark Bunting**  
Publisher,  
**Capital Ideas Media**

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