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Morning Need to Know

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Written & compiled by Mark Bunting, Publisher,
Capital Ideas Media



CANADIAN ANALYSTS' CALLS

Aecon Group (TSX:ARE). Industrial Alliance Securities moves the target to \$25.50 (Canadian) from \$24 and maintains "strong buy" following earnings results. See below.

Constellation Software (TSX:CSU). CIBC moves the target to \$1,350 from \$1,250, raises the EPS estimates, and maintains "outperformer".

Eldorado Gold (TSX:ELD). Cormark Securities maintains "buy" and a price target of \$14, implying 37% upside, after the Greek Energy Minister committed to Eldorado executives this week of the government's intention to revive and support the Skouries copper-gold project, which has been in permitting limbo since November 2017.

Cormark says despite Eldorado shares gaining

150% in the past two months: *"On a risk-reward basis, Eldorado remains one of the most compelling names in the gold sector."*

Open Text (TSX:OTX). CIBC ups the target to \$53 from \$49 and reiterates "outperformer" ahead of the company's earnings release.

Capital Power (TSX:CPX). Raymond James hikes the targets on a number of power and energy infrastructure stocks including this one which goes to \$36 from \$35.50 with the rating maintained at "outperform".

Alaris Royalty (TSX:AD). RBC lifts the target to \$23 from \$22 following Q2 results.

Aphria (TSX:APHA;NYSE:APHA). CIBC says "uncertainty is rising" as it downgrades the cannabis producer to "underperformer" from "neutral" and lowers the target to \$6.50 from \$12 due to:

"Concerns about aggressive Street estimates, potential asset impairment, a leadership void and less robust supply contracts. While we believe Aphria likely captures a high-single-digit market share, and last month's partnership with PAX Era was a meaningful win, we see more risk than reward in the stock."

Aphria shares hit a Christmas Eve low of around \$6 after a short seller attack and the general downturn in the market. It then more

than doubled but is now drifting back near those levels closing Thursday at \$7.71.



U.S. ANALYSTS' CALLS

3M (NYSE:MMM). Credit Suisse moves the target to \$194 (U.S.) from \$180 following solid Q2 results.

Intel (NASDAQ:INTC). RBC raises the target to \$47 from \$41 after the company's earnings.

STOCKS THAT MAY MOVE

Aecon Group (TSX:ARE) beat Q2 expectations with revenue of \$867 million (Canadian), a 15% jump from a year earlier, and ahead of analysts estimates of \$770 million. Profit came in at more than \$20 million or 31 cents per share versus estimates of 23 cents.

This Digest cover story idea from May 29 of last year has worked out nicely, higher by 30% since then.

CannTrust (TSX:TRST;NYSE:CTST) has fired CEO Peter Aceto "with cause" and Chairman Eric Paul has been forced to step down after The Globe and Mail reported the executives

knew the company was hiding unlicensed grow rooms from Health Canada seven months before the regulator uncovered the practice. Aceto came over from Tangerine within the last year with a reputation for transparency.

McDonald's (NYSE:MCD) has posted its largest global sales gain in seven years with same-store sales rising 6.5%

Alphabet (NASDAQ:GOOGL;NASDAQ:GOOG) beat earnings estimates and its revenue rose 19% from last year allaying concerns about decelerating growth.

Amazon.com (NASDAQ:AMZN) reported its first profit miss in two years as it ramped up spending on one day delivery.

Intel (NASDAQ:INTC) beat estimates and raised its forecast.

Starbucks (NASDAQ:SBUX) saw U.S. same-store sales jump 7% from last year and it raised its profit forecast.

MARKETS

S&P/TSX and U.S. equity futures are higher after U.S. Q2 GDP slowed to an annual pace of 2.1% from 3.1% but was stronger than expectations.

CURRENCIES

The Canadian dollar is down to \$0.7583 (U.S.) as the U.S. dollar gets some support following the GDP report.

COMMODITIES

West Texas Intermediate is up 0.7% to \$56.40 a barrel.

Gold is higher at \$1,436.70 an ounce.

DAILY UPDATE



We received an enlightening update Wednesday on the cannabis oils and concentrates extraction business of **Halo Labs (NEO:HALO)** from CEO *Kiran Sidhu* for a video we'll post next week.

The impact of their expanding California operations. It's big play in Lesotho. Revenue and profitability projections. What investors are missing in this undervalued stock. Sidhu covers it all.

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Mark Bunting
Publisher,
Capital Ideas Media

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