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Morning Need to Know

Getting you ready for your investing day

August 23, 2019

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CANADIAN ANALYSTS' CALLS

Medexus Pharmaceuticals (TSXV:MDP).

Mackie Research maintains a "buy" rating and a price target of \$10.50 (Canadian), which implies a 163% projected return, after the company grew its fiscal quarterly revenue more than 400% year-over-year to a record level and posted positive adjusted EBITDA.

Medexus had a net loss that was higher than expected at \$2.2 million due to higher R&D and general expenses.

Medexus has cash and cash equivalents of more than \$27 million.

Mackie said of Medexus:

"We believe MDP is a must own for investors investing in the Canadian specialty pharma space as the stock is highly undervalued and the company is in a strong position to deliver robust long-term growth."

Medexus has generated investment banking

revenue for Mackie Research Capital.

Well Health Technologies (TSXV:WELL).

Mackie ups the target to \$2 from \$1 to catch up to this high-flying stock, which closed at \$1.73, and maintains a "buy" rating after the company delivered its earnings results.

Franco-Nevada (TSX:FNV;NYSE:FNV).

Canaccord Genuity raises the targets on a number of precious metals streaming and royalty companies including this standout firm moving the target to \$136 from \$132.

FNV is higher by a solid 31% since we interviewed CEO David Harquail in late June of 2018.

Alimentation Couche-Tard (TSX:ATD.B).

Desjardins Securities upgrades to "buy" and moves the target to \$88 from \$87 ahead of earnings on September 4.

Empire Company (TSX:EMP.A). BMO raises the target to \$42 from \$36 to reflect solid quarterly earnings results for the owner of Sobeys.

Salesforce.com (NYSE:CRM) handily beat analysts' estimates with EPS coming in at 66 cents per share versus expectations of 47 cents, and revenue jumped 22% from last year thanks to acquisitions.

U.S. ANALYSTS' CALLS

Salesforce.com (NYSE:CRM). Canaccord Genuity raises the target to \$185 (U.S.) from \$175 after earnings results.

STOCKS THAT MAY MOVE

CargoJet (TSX:CJT) has struck a deal with Amazon.com in which it's granting the e-commerce giant warrants equal to nearly 15% of the overnight cargo company.

The warrants are divided into two tranches and will vest based on Amazon delivering as much \$600 million worth of business to CargoJet over more than seven years. The first tranche of warrants are exercisable at \$91.78 per share.

CargoJet has been one of our better ideas the past while with the stock rising as much as 38% after our December 18 Digest cover story.

The shares are still up 30% since then. The gains have been amplified because CJT's stock was depressed at the time of the story by the general deep rout for stocks in late December.

Hasbro (NYSE:HAS) is buying Canada's Entertainment One, producer of properties such as Peppa Pig and Clifford, for \$4 billion in cash.

VMWare (NYSE:VMW). It's all in the family as the Dell-controlled company has bought two cloud security and cloud developer services companies, also controlled by Dell, in deals worth a combined \$5 billion.

HP (NYSE:HPO). CEO Dion Weisler has stepped down to attend to a family health matter while 30-year company veteran Enrique Lores takes over.

Holloway Lodging (TSX:HLC) has sold its Travelodge hotel and Airline Hotel & Conference Centre in Thunder Bay, Ontario for \$15 million.

MARKETS

S&P/TSX and U.S. equity futures turned negative after China said it would slap tariffs on \$75 billion worth of U.S. goods.

This as investors await the **speech at 10 am eastern time by Fed Chair Jerome Powell** at the annual gathering of central bankers in Jackson Hole, Wyoming.

CURRENCIES

The Canadian dollar is down bit at \$0.7507 (U.S.).

COMMODITIES

West Texas Intermediate is sharply lower by 2.7% at \$53.85 a barrel.

Gold is up slightly at \$1,513 an ounce.

DAILY UPDATE



See the latest [Capital Ideas Digest](#) for five mid-cap growth stocks, and the one cannabis producer to own after the company posted earnings that were *"the best ever for a Canadian cannabis company."*

We also feature hi-lights from a definitive study by a well-known strategist who explains what yield curve investors should really be tracking.

Please email questions, comments or concerns to: [*customercare@capitalideasresearch.com*](mailto:customercare@capitalideasresearch.com)

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