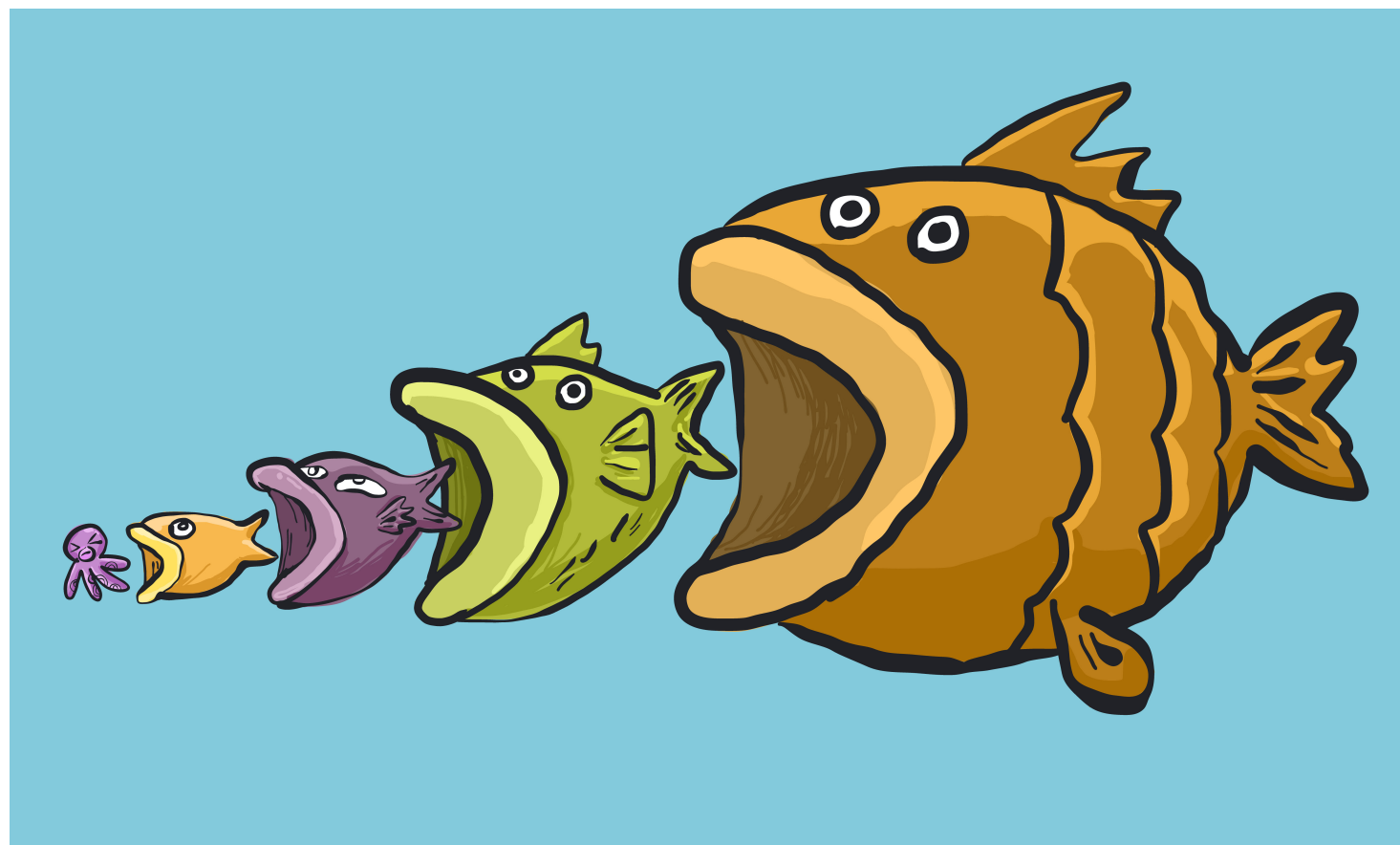




INVEST LIKE A PRO, WITH THE PROS!





A growth by acquisition strategy either works or it doesn't.

Today's *Capital Ideas Digest*, available at 7 pm eastern time, features initiated analyst coverage of a company that has the business model down pat.

This aggressive acquirer has grown its annual profit the past five years at an average of 30% as it successfully gobbles up and integrates rivals.

Going back 15 years, the stock is up more than

3,000% with the experienced management team set to guide the company to further gains.

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Morning Need to Know

Getting you ready for your investing day

October 29, 2019

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



CANADIAN ANALYSTS' CALLS

Constellation Software (TSX:CSU). CIBC moves the price target to \$1,550 (Canadian) from \$1,350 and reiterates "outperformer", saying the growth by acquisition company has defensive characteristics and could benefit from lower M&A valuations in the event of a downturn.

Enghouse Systems (TSX:ENGH). CIBC lifts the target to \$45.50 from \$44 and maintains "outperformer".

Morneau Shepell (TSX:MSI). CIBC hikes the target to \$38 from \$35 and reiterates "outperformer".

Algonquin Power and Utilities (TSX:AQN;NYSE:AQN).

Desjardins Securities increases its target to \$14.50 (U.S.) from \$14 with a "buy" rating.

Northland Power (TSX:NPI). Desjardins ups the target to \$32 (Canadian) from \$30 with a "buy" rating.

U.S. ANALYSTS' CALLS

Alphabet (NASDAQ:GOOGL).

Canaccord Genuity raises the target to \$1,450 (U.S.) from \$1,350 following earnings results.

STOCKS THAT MAY MOVE

Canfor (TSX:CFP) has agreed to be taken private for \$16 (Canadian) per share in cash by Great Pacific Capital Corp., which is controlled by legendary B.C. billionaire Jim Pattison. Great Pacific announced in August it was bidding for the 49% of Canfor that it doesn't already own.

Shopify (TSX:SHOP;NYSE:SHOP) shares are lower by 8% in premarket trading after the company reported a wider net quarterly loss than expected as it spends more to build

out its network.

Canada Jetlines (CSE:JET). Well, that didn't work. The company trying to bring an ultra-low cost model to Canada is postponing its planned December 17 launch, laying off most employees, will not pay remaining deposits to Airbus, and losing its main investment partners after failing to secure \$40 million in financing. Oh, and the CEO has stepped down.

JET will keep a small team and reduce activities until the Competition Bureau finalizes its investigation into what it believes are WestJet's anticompetitive actions related to its low-cost airline, Swoop.

You may recall we interviewed the former CEO of JET in September of 2017 when the initial launch date was set for June 1 of 2018.

Air Canada (TSX:AC) missed profit estimates as the grounding of Boeing's 737 MAX jets limits the airline's flight capacity.

Hudson's Bay (TSX:HBC) may have some competition for its bid, in a group including Authentic Brands, for retailer Barneys as a Saudi and Gulf consortium is reportedly set to make a bid in the \$270 (U.S.) million range.

MedMen (CSE:MMEN). On the surface,

everything seems hunky dory at the cannabis retailer with quarterly revenue growing 104% year-over-year.

But its net quarterly loss was \$227 million and MMEN's main lender, Gotham Green Partners, has simultaneously limited the company's access to cash under its \$250 million senior secured convertible credit facility, while modifying the agreement to give the company additional balance sheet flexibility. MMEN has also agreed to independent directors eventually holding a majority of the board seats.

Take the time to [read](#) Equity.Guru's Chris Parry and his detailed, damning and amusing indictment of how MedMen is run.

Alphabet (NASDAQ:GOOGL) is down nearly 2% premarket after missing analysts' estimates with its quarterly profit.

Beyond Meat (NYSE:BYND) is down 16% despite posting a profit and beating sales estimates as investors are concerned about increasing competition and a share lockup expiring.

MARKETS

S&P/TSX and U.S. equity indices are lower amid a continuing earnings deluge and an expected Federal Reserve interest rate cut

tomorrow.

CURRENCIES

The Canadian dollar is up a bit at \$0.7664 (U.S.).

COMMODITIES

West Texas Intermediate is down 1.6% to \$54.93 a barrel.

Gold is down 0.3% and at \$1,492.10 an ounce.

Please email questions, comments or concerns to: customercare@capitalideasresearch.com

Access, insight and ideas.

Mark Bunting
Publisher,
Capital Ideas Media

www.capitalideasmedia.com





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