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**Morning Need to Know**

Getting you ready for your investing day

**October 1, 2019**

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

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## **CANADIAN ANALYSTS' CALLS**

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### **INITIATIONS**

**North American Palladium (TSX:PDL)**. RBC starts coverage with an "outperform" and a price target of \$26 (Canadian) citing higher palladium prices and positive free cash flow.

**Flower One (CSE:FONE)**. Canaccord Genuity begins coverage with a "speculative buy" and a target of \$3.50 saying the company is poised to become the dominant wholesaler of cannabis in Nevada.

**TerrAscend (CSE:TER)**. GMP starts coverage with a "buy" rating and \$9 target.

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**Well Health Technologies (TSXV:WELL)** gets upgraded to "buy" from hold by Haywood Securities which also lifts the target to \$2 from

\$1.80.

**Sun Life Financial (TSX:SLF)** has had its target raised by National Bank Financial to \$63 from \$59.

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## U.S. ANALYSTS' CALLS

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**Boeing (NYSE:BA)**. Berenberg raises the target price to \$440 (U.S.) from \$400, saying the company's strong portfolio will drive long-term performance and improved investors' confidence on the expected return of its 737 MAX planes.

**Constellation Brands (NYSE:STZ)**. Jefferies raises target price to \$281 from \$270, reflecting on the company's strong beer business driving organic sales growth and improved operating margins.

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## STOCKS THAT MAY MOVE

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**Telus (TSX:T)** is buying ADT Security Services Canada for about \$700 million (Canadian). ADT Canada has roughly 500,000 customers and approximately 1,000 staff across the country.

ADT parent **ADT Inc. (NYSE:ADT)** is planning a one-time special dividend of 70 cents a share.

**Dorel Industries (TSX:DII.B)** is a casualty of the U.S. and China trade war as it's suspending its dividend citing higher U.S. tariffs. The maker of bicycles, baby carriages and other products says its August 2 dividend is not affected and will be

paid to shareholders tomorrow.

**Holloway Lodging (TSX:HLC)** has sold three hotels in Nova Scotia and New Brunswick for a combined price of \$18.2 million.

**Savaria (TSX:SIS)** has concluded a sale and leaseback of its manufacturing plant in Surrey, B.C. which was sold for \$29 million, and the company will lease for the next 25 years.

**TD Ameritrade (NASDAQ:AMTD)** is down 11% in pre-market trade after rival **Charles Schwab (NYSE:SCHW)** cuts its commission rates. Schwab is lower by 8%.

**Credit Suisse (NYSE:CS)**. The Swiss bank's head of security and COO have resigned after a botched attempt to snoop on the company's former head of wealth management who had moved on to rival UBS. There's no evidence that Credit Suisse CEO Tidjane Thiam knew of the plan.

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## MARKETS

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S&P/TSX and U.S. equity futures are higher as U.S. trade adviser Peter Navarro downplayed reports the Trump administration plans to force Chinese companies to de-list shares from U.S. stock exchanges.

In economic data, **Canada's GDP** way back in July

was unchanged after four months of growth, and **eurozone manufacturing** had the sharpest drop in nearly seven years.

**U.K. manufacturing** declined for the fifth month in a row, the longest stretch since 2009.

The **World Trade Organization** has cuts its 2019 forecast for global trade growth in half to 1.2%.

**Chinese financial markets will be closed the rest of the week** as the country marks the 70th anniversary of the founding of the People's Republic of China.

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## **CURRENCIES**

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The **Canadian dollar** is down 0.3% to \$0.7526 (U.S.) while the U.S. dollar hits a 29-month high against a basket of major currencies.

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## **COMMODITIES**

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**West Texas Intermediate** is up 0.9% to \$54.55 a barrel.

**Gold** is flat at \$1,471.50 an ounce partly on the stronger U.S. dollar.

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## **DAILY UPDATE**

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Our new [\*Business of Comedy\* podcast](#) is with *Dave Merheje*, comedian, actor, and winner of the 2019 Juno Award for Best Comedy Album.

Merheje is one of those overnight successes – after nearly 20 years honing his craft.

The Windsor, Ontario-raised, New York-based comic is introspective and candid about his childhood as the son of naturally funny Lebanese immigrants, his comedic influences, internal struggles, why he cried when he got his first Netflix special, and how getting mugged in Los Angeles led him to find his authentic onstage voice.

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