



INVEST LIKE A PRO, WITH THE PROS!





www.capitalideasmedia.com

Morning Need to Know

Getting you ready for your investing day

October 3, 2019

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



CANADIAN ANALYSTS' CALLS

INITIATIONS

Jamieson Wellness (TSX:JWEL). CIBC starts coverage with an "outperformer" rating and a price target of \$27 (Canadian). The stock closed Wednesday at \$22.75.

**

Minto Apartment REIT (TSX:MI.UN). Industrial Alliance Securities lifts the target to \$26 from \$25 and maintains a "strong buy".

TD Bank (TSX:TD;NYSE:TD). CIBC lowers the target to \$81 from \$83 after TD Ameritrade cut its commission rates, which the analyst estimates will hit the online broker's earnings by 25-30%, and reduce TD's EPS for fiscal 2020 by 2-3%.

Canadian Pacific Railway (TSX:CP;NYSE:CP). Citigroup, while maintaining "buy" ratings and remaining constructive on rail companies in general, is lowering the price targets on a number of them including CP which is cut to \$255 (U.S.) from \$275 due to near-term

volume headwinds.

Citi says: *"We are trimming our Q3/2019 EPS estimate on CP by 2% to \$4.48 (Canadian), leaving us 2.5% below consensus for the quarter. In addition, we are reducing our 2019 and 2020 EPS estimates by 2% and 5% respectively, as we now expect the company to face volume sluggishness through early 2020."*

Dorel Industries (TSX:DII.B). TD Securities downgrades to "hold" with a \$7.50 target, dropping from \$13, after the company issued a profit warning and suspended its dividend due to U.S. tariffs.

U.S. ANALYSTS' CALLS

INITIATIONS

Annaly Capital Management (NYSE:NLY). RBC Dominion Securities starts coverage on U.S. REITs with a *"constructive outlook"*, calling this one its *"favourite idea"* giving it a \$10 target.

**

Raytheon (NYSE:RTN). Credit Suisse upgrades the defence company to *"outperform"*.

Lennar (NYSE:LEN). Barclays moves the target to \$63 from \$60 following the homebuilder's earnings results, which took the stock to an all-

time high.

Kansas City Southern (NYSE:KSU).

As part of its call on rails, Citi moves the target to \$144 (U.S.) from \$135 in order “*to capture improving execution and stronger fundamentals on its network versus U.S. peers.*”

STOCKS THAT MAY MOVE

Constellation Brands (NYSE:STZ) continues to bleed red ink thanks to its \$5 billion investment in **Canopy Growth (TSX:WEED:NYSE:CGC)** as the booze company took a Q2 write down of \$839 million related to Canopy, and an overall loss of \$525.2 million (U.S.) versus a profit a year earlier.

Constellation's Q2 adjusted profit beat estimates, it raised its adjusted profit forecast but lowered its 2020 EPS outlook.

Hut 8 Mining (TSXV:HUT) says it will be the first cryptocurrency-focused company listed on the TSX thanks to a new initiative called the TSX Sandbox program, which allows for some exemptions to listing requirements so that more novel or exceptional companies may gain access to the exchange.

Hut 8, which is a bitcoin miner whose shares fluctuate based on the price of the cryptocurrency, will list its shares on the

TSX on October 8.

Delta Resources (TSXV:DLTA) is buying 100% of the new Eureka gold discovery in the Thunder Bay Mining District of Ontario.

PepsiCo (NYSE:PEP) Q3 revenue rose 4.3% to \$17.19 billion, beating analysts' estimates as increased advertising paid off.

Tesla (NASDAQ:TSLA) shares are down more than 4% in premarket trading after the electric car maker said Q3 deliveries hit a record level but rose less than 2%, falling short of Wall Street forecasts.

MARKETS

S&P/TSX and U.S. equity futures are modestly higher after the steep downturn yesterday as investors mull increasingly weak global economic data. The U.S. services data released today at 10 am eastern will be closely watched.

Chinese financial markets remain closed for the week for the 70th anniversary celebrations of the founding of the People's Republic of China.

CURRENCIES

The Canadian dollar is slightly lower at \$0.7495 (U.S.).

COMMODITIES

West Texas Intermediate is down 1% to \$52.11 a barrel after the U.S. Energy Information Administration reported crude inventories last week rose by a more than estimated 3.1 million barrels.

Gold is slightly lower at \$1,506.20 an ounce.

DAILY UPDATE

Real assets, real returns.

The new [*Capital Ideas Digest*](#) hi-lights a company sitting on **\$35 billion of dry powder** that should be a *"core holding for most Canadian equity portfolios"*.

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

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

Access, insight and ideas.

[**Mark Bunting**](#)
Publisher,
[**Capital Ideas Media**](#)

www.capitalideasmedia.com



The information and recommendations made available here (“Information”) by CIR and/or all affiliates is for informational purposes only and not to be used or construed as an offer to sell or a solicitation of an offer to buy any services or securities. You further agree that neither Capital Ideas Research will be liable for any losses or liabilities that may be occasioned as a result of the information or commentary provided in the letter. By accessing the site and reading this note, you accept and agree to be bound by and comply with the terms and conditions set out herein. If you do not accept and agree to the terms, you should not use this site or accept this email.

CIR is not registered as an adviser under the securities legislation of any jurisdiction of Canada and provides the Information pursuant to an exemption from the registration requirements that is available in respect of generic advice. The recommendations contained on the site and in this email are not tailored to the needs of particular persons and may not be appropriate for you depending on your financial position or investment goals or needs. You should apply your own judgment in making any use of the Information, especially as the basis for any investment decision. Prior to making any investment decision, we recommend that you seek outside advice from a qualified and registered investment advisor.

In no event will CIR be responsible or liable to you or any other party for any damages of any kind arising out of or relating to the use of, misuse of or inability to use this site and email. The Information is directed only at persons resident in Canada. Nothing in this site shall constitute an offer or solicitation to anyone in the United States of America or any jurisdiction where such offer or solicitation is not authorized or to any person to whom it is unlawful to make such a solicitation. If you choose to access this site or email from

outside of Canada, you acknowledge that the Information is intended for use by persons resident in Canada only.

This is not an investment advisory, and should not be used to make investment decisions. Information in CIR is often opinionated and should be considered for information purposes only. No stock exchange anywhere has approved or disapproved of the information contained herein. There is no express or implied solicitation to buy or sell securities. The writers and editors of CIR may have positions in the stocks discussed above and may trade in the stocks mentioned. Don't consider buying or selling any stock without conducting your own due diligence.

Copyright © 2016 Capital Ideas Research, All rights reserved.

You are receiving this email because you are part of our investment network.

[Add us to your address book](#)

[update subscription preferences](#)

This email was sent to <<Email Address>>

[why did I get this?](#) [unsubscribe from this list](#) [update subscription preferences](#)

Capital Ideas Research · HSBC Bank Place · 10250 101 Street Suite 1803 · Edmonton, Alberta T5J 3P4 · Canada