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## **Morning Need to Know**

Getting you ready for your investing day

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Capital Ideas Media**

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## CANADIAN ANALYSTS' CALLS

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**Waste Connections (TSX:WCN)** KeyBanc raises rating to "overweight", saying the company is in the strongest position to benefit from elevated M&A activity across the industry, with its unique market positioning and the lowest leverage in the group.

**Enerflex (TSX:EFX)**. Industrial Alliance Securities upgrades to "strong buy" from buy and lowers the target to \$18.50 from \$20, saying the stock is trading far below what is justified based on the company's order backlog.

**Gildan Activewear (TSX:GIL)**. Desjardins Securities cuts to "sell" and slashes the target to \$40 from \$57 after the company's profit warning. See below for more. Other analysts have also downgraded the stock and cut the target.

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## U.S. ANALYSTS' CALLS

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**Microsoft (NASDAQ:MSFT)**. J.P. Morgan sets a December 2020 price target of \$169 (U.S.) versus the previous \$155 due to faster organic revenue growth and robust free cash flow generation.

MSFT was a July 2018 cover story when our

research argued it should be considered as fast a grower as the FAANG stocks. MSFT is up 31% since then, outperforming all of them.

**Texas Instruments (NYSE:TXN)**. Oppenheimer moves the target to \$140 from \$130.

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## STOCKS THAT MAY MOVE

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**Painted Pony Energy (TSX:PONY)** is selling a 75% working interest in 11,280 gross acres in the northeast B.C. Montney region, which equals about 4% of its total interest in the Montney, for \$45 million (Canadian).

**Gildan Activewear (TSX:GIL;NYSE:GIL)** is down 28% in U.S. premarket trading after it cut its 2019 financial forecast on weaker global demand for the apparel it makes.

**Auxly Cannabis Group (TSXV:XLY)** is changing the conversion price of its 6% unsecured convertible debentures valued at \$100 million, maturing January 16, 2020 from \$1.55 per share to \$0.74 per share.

**DionyMed Brands(CSE:DYME).**

More trouble in cannabis paradise as DYME said that creditors GLAS USA and GLAS America have issued the company a notice of default and demanded immediate payment of \$24.81 million plus interest, fees and expenses, and that GLAS America concurrently provided the

company with a Notice of Intention to Enforce Security under section 244 of the Bankruptcy and Insolvency Act.

DYME said is reviewing and considering its options, and that it will continue to work with its major lender toward reaching a restructuring solution for it to continue operating as a going concern for the benefit of its stakeholders.

**Total Energy Services (TSX:TOT)** has reached an agreement worth \$13.5 million (U.S.) related to the 2017 early termination of contracts for three drilling rigs operating in the U.S.

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## MARKETS

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S&P/TSX and U.S. equity indices are modestly lower ahead of the Brexit vote tomorrow in Britain's parliament and as China says Q3 GDP grew at 6%, the slowest pace since the early 1990s.

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## CURRENCIES

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The Canadian dollar is flat at \$0.7610(U.S.).

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## COMMODITIES

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West Texas Intermediate is up 1% to \$54.48 a barrel.

Gold is down 0.3% at \$1,494.20 an ounce.

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# DAILY UPDATE

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The latest [\*Capital Ideas Digest\*](#) has summaries on **Nine Top Picks** from an equities research team that has grown its small cap portfolio by more than 80% the last three years.

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

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