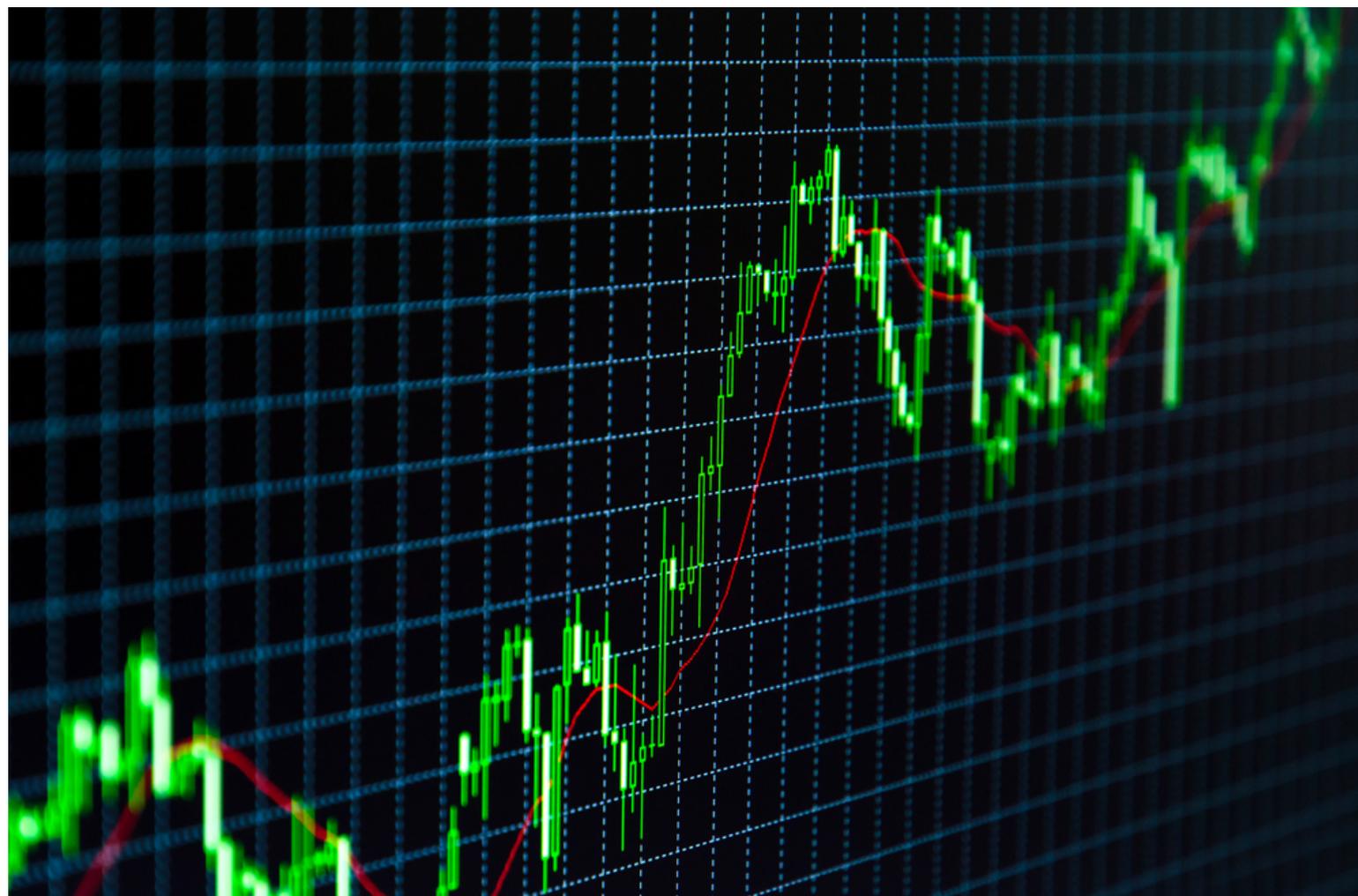




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**Morning Need to Know**

# Getting you ready for your investing day

## October 15, 2019

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

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## CANADIAN ANALYSTS' CALLS

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### INITIATIONS

#### **Medexus Pharmaceuticals (TSXV:MDP).**

Canaccord Genuity starts coverage with a "buy" rating and a \$6.50 (Canadian) price target saying:

“Pediapharm’s acquisition of Medexus and Medac has created what we believe will become North America’s preeminent rheumatology and pediatric specialty pharma company.

Medexus Pharmaceuticals has emerged with a combined 18 products, 48 sales representatives and over \$50 million in trailing revenue.

With 88% of current sales attributable to products in the growth or launch phase, we believe this is just the beginning of several

**years of double-digit growth.**

Accounting for operating leverage off the partially fixed-cost sales infrastructure, we forecast EBITDA margins expanding from mid-single digits toward the industry average of 25-30% within five years.”

**Medexus was our cover story on August 27. It's up 16% since. We'll be interviewing the CEO this Thursday, which we'll post the following week. Look out for that.**

**Knight Therapeutics (TSX:GUD).** Canaccord also starts coverage on this name with a "buy" and an \$8.50 target.

**Cargojet (TSX:CJT).** Scotiabank has started coverage with an "outperform" and a target of \$110.

**CJT has been a successful idea for our subscribers rising 42% following a cover story last December.**

**\*\***

**Profound Medical (TSX:PRN).** Mackie Research changes the price target to \$20.30 from \$2.15 ahead of the company's 1-for-10 share consolidation tomorrow, and maintains a "speculative buy" rating.

PRN's TULSA-PRO medical device to treat prostate cancer will launch in the U.S. this quarter. The company has also applied to list its shares on the Nasdaq.

**Lightspeed POS (TSX:LSPD).** This April 9 cover story surged 118% after our article and then shed 40% on general weakness in software-as-a-service (SaaS) companies and locked up shares becoming free for trading.

CIBC, which does investment banking with LSPD, says investors should buy the shares ahead of earnings on November 7, keeping its "outperformer" rating and target of \$50. The stock closed Friday at \$32.87.

**Algonquin Power & Utilities (TSX:AQN;NYSE:AQN).**

CIBC raises the target to \$14.25 from \$13.50 and maintains an "outperformer" rating.

**Tervita (TSX:TEV).** CIBC has reduced its price targets for the vast majority of its energy coverage universe with this one being a rare outlier as the target gets moved to \$9.50 from \$8.50.

**Sun Life (TSX:SLF).** Desjardins Securities lifts the target to \$62 from \$60 and maintains a "buy" rating.

**iA Financial (TSX:IAG).** Desjardins hikes the target to \$64 from \$58 and maintains a "buy".

**Teck Resources (TSX:TECK.B;NYSE:TECK).** Citi cuts the target to \$25 from \$30, citing "*the more challenging price outlook & macro uncertainty.*"

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## U.S. ANALYSTS' CALLS

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**Bed Bath & Beyond (NASDAQ:BBBY).** Keybank raises to "overweight" saying same-store sales trends are improving and that the new CEO should be a good fit.

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## STOCKS THAT MAY MOVE

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**Aphria (TSX:APHA;NYSE:APHA)** shares are up about 20% in U.S. premarket trading after the cannabis producer bucked the bad news in the sector by delivering its second straight quarter of profitability with \$16.4 million of fiscal Q1 profit, up slightly from the previous quarter but lower than last year at the same time.

Revenue was \$126.1 million, slightly lower than the previous quarter but up from \$13.3 million a year ago before legalization of recreational cannabis in Canada.

Aphria affirmed its fiscal year forecast for revenue of as much as \$700 million,

and adjusted EBITDA of as much as \$95 million.

### **CannTrust Holdings (TSX:TRST;NYSE:CTST).**

Meanwhile, at the opposite end of the spectrum, the news at CannTrust continues to be relentlessly bad.

The company says it will destroy \$77 million worth of cannabis in an attempt to get Health Canada to restore its licences, \$26 million more than the previously disclosed estimate.

CannTrust's TSX-listed shares closed Friday at an all-time low of \$1.20.

**Hudson's Bay (TSX:HBC)** is closing in on a \$270 million deal with Authentic Brands that could result in Barneys stores operating within HBC's Saks Fifth Avenue stores.

**J.P. Morgan (NYSE:JPM)** has unofficially kicked off earnings season along with some of the other big U.S. banks by beating estimates.

### **Johnson & Johnson (NYSE:JNJ)**

The pharma giant beat analysts estimates with its quarterly earnings and raised its forecast on the strength of its cancer drugs.

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## **MARKETS**

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S&P/TSX and U.S. equity futures are higher.

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## **CURRENCIES**

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The Canadian dollar is modestly higher at \$0.7559 (U.S.).

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## COMMODITIES

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West Texas Intermediate is down 0.3% to \$53.42 a barrel.

Gold is down slightly at \$1,496.40 an ounce.

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

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