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## **Morning Need to Know**

Getting you ready for your investing day

**October 4, 2019**

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## CANADIAN ANALYSTS' CALLS

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### **Canopy Growth (TSX:WEED;NYSE:CGC).**

As pressure continues on cannabis stocks and some smaller companies suffer cash crunches, CIBC is revising its earnings estimates and lowering its price targets for a number of cannabis firms including WEED, which sees its target reduced to \$45 (Canadian) from \$50.

### **Cronos Group (TSX:CRON;NASDAQ:CRON)**

gets its estimates increased due to an earlier than expected closing of a transaction but has its target lowered to \$20 from \$25.

**HEXO (TSX:HEXO)** has its target reduced to \$7.50 from \$8.50.

**Sundial (NASDAQ:SNDL)** sees its target cut to \$8 (U.S.) from \$11.

CIBC says:

*"...shares of CRON, SNDL and HEXO have breached our published downside scenarios, so we are updating our price targets on each, as well as on WEED, given weaker sentiment across the industry.*

*Our underlying thesis on the sector remains*

*unchanged. We value balance sheet strength, prudent capital allocation, strategic partnerships and exposure to U.S. (and international) markets as key differentiators for investors.*

*Outperformer-rated stocks in our coverage universe include Cronos, Canopy Rivers, Organigram, Canopy Growth and Supreme Cannabis."*

### **Canadian National Railway (TSX:CNR).**

J.P. Morgan sets a December 2020 price target of \$128 (Canadian), up from \$125, saying the company is best in class in a number of aspects of its business.

**Richelieu Hardware (NYSE:RCH)** sees its target nudged to \$28.50 from \$28 by National Bank after the company's earnings results.

**Linamar (TSX:LNR).** CIBC cuts to "neutral" and takes the target down to \$48 from \$56 as the GM strike affects the auto parts maker's business.

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## **U.S. ANALYSTS' CALLS**

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**PepsiCo (NYSE:PEP).** Jefferies increases the target to \$140 (U.S.) from \$134 following the company's earnings results.

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## **STOCKS THAT MAY MOVE**

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**Husky Energy (TSX:HSE)** is selling a B.C.

refinery to **Tidewater Midstream & Infrastructure (TSX:TWM)** for \$215 million (Canadian).

**Ignite Int'l Brands (CSE: BILZ)** is raising up to \$50 million through a non-brokered private placement of convertible debenture units.

**Hudbay Minerals (TSX:HBM;NYSE:HBM)**  
The miner has appointed former Centerra Gold CEO and chairman Stephen Lang as chair of the company's board. Alan Hibben has stepped down as Hudbay's chair and will remain on the board as an independent director.

**Apple (NASDAQ:AAPL)** has asked suppliers to increase production of the iPhone 11 by as much as eight million units or 10%, according to the Nikkei Asian Review.

**HP (NYSE:HPQ)** is cutting up to 16% of its workforce, or as many as 9,000 workers, as part of a restructuring plan aimed at cutting costs by \$1 billion annually.

**Costco Wholesale (NASDAQ:COST)** shares are down about 1% in premarket trading after the retailer's quarterly same-store sales rose a solid 5.1% from last year but missed analysts' estimates.

**Bed Bath & Beyond (NASDAQ:BBBY)** is up in premarket trade after saying it will close 60

stores, up from the previously announced 40.

**BP (NYSE:BP)** announced that Bernard Looney, head of upstream business, will succeed Bob Dudley as CEO when he retires next year. Mr. Looney joined BP in 1991 as a drilling engineer.

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## MARKETS

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S&P/TSX and U.S. equity futures moved higher after the U.S. economy in September added 136,000 jobs, lower than the expected 145,000, while the unemployment rate dipped to 3.5% from 3.7%, back to a 1969 low.

Hong Kong's Hang Seng fell 1.1% after the government invoked emergency laws that allow authorities to "make any regulations whatsoever" in the public interest, which could include curfews, censorship of the media and control of harbours, ports and transport, according to Reuters.

Chinese financial markets will reopen on Monday.

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## CURRENCIES

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The Canadian dollar is up 0.2% to \$0.7411 (U.S.).

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## COMMODITIES

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West Texas Intermediate is up 1.1% to \$53.06 a barrel but down about 6% on the week on global demand concerns.

Gold is slightly lower at \$1,506.70 an ounce.

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