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Keep reading for new coverage of **Organigram** and **Aphria** from a U.S. analyst who says cannabis sticks have bottomed.

Also, the new *[Capital Ideas Digest](#)* examines a company emerging from scandal with a turnaround underway and more than 50% upside.

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Morning Need to Know

Getting you ready for your investing day

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Capital Ideas Media



CANADIAN ANALYSTS' CALLS

INITIATIONS

Organigram (TSX:OGI) & Aphria (TSX:APHA;NYSE:APHA).

Cantor Fitzgerald analyst Pablo Zuanic believes Canadian cannabis stocks have hit bottom and is starting coverage on a number of the larger players although OGI and APHA are the only ones he rates an "overweight".

Zuanic says:

"Valuations are at two-year lows, and we deem them attractive based on the long-term opportunity."

And he adds this roundup of positive and negative catalysts:

“Positives: in Canada: recreational sales up 50% quarter-on-quarter, more store openings and the launch of derivatives, could double the recreational market to \$2.4 billion in 2020; in Western Europe, export ramp from new capacity.”

“Negatives: “vape crisis” is a source of regulatory risk, but it may also further erode the illicit market; high inventories are known and will likely result in flat sequential reported sales in the calendar third-quarter and fourth-quarter periods, but the underlying market is robust, up 19% month-on-month in August.”

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Photon Control (TSX:PHO) gets upgraded by Paradigm Capital to "buy" with the price target moving to \$1.50 (Canadian) from \$1.10, implying 38% upside, on an expected recovery in the semiconductor industry.

Maxar Technologies (TSX:MAXR;NYSE:MAXR). TD Securities upgrades to "speculative buy" and lifts the target to \$15 (U.S.) from \$9.50.

goeasy (TSX:GSY). Desjardins Securities raises the target to \$72 (Canadian) from \$67, lowers its 2019 EPS estimate, raises the 2020 EPS estimate, and maintains "buy".

Toromont Industries (TSX:TIH) gets its target raised to \$79 from \$71 by National Bank with the rating staying at "outperform".

Air Canada (TSX:AC) gets upgraded by J.P. Morgan to "overweight" with the target moved to \$59 from \$50.

Parkland Fuel (TSX:PKI). CIBC nudges the target to \$51 from \$49.50 and reiterates "outperformer".

Gibson Energy (TSX:GEI). GMP FirstEnergy hikes the target to \$28 from \$26.50 and maintains "buy" following earnings results.

U.S. ANALYSTS' CALLS

INITIATIONS

Lululemon (NASDAQ:LULU) gets started at Raymond James with a "strong buy" rating and a target of \$275 (U.S.).

Nike (NYSE:NKE). Raymond James also starts coverage of the shoe and apparel maker with an "outperform" and a target of \$100.

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Lowe's (NYSE:LOW). Credit Suisse upgrades to "outperform" and hikes the target to \$129 from \$114.

The Home Depot (NYSE:HD). Credit Suisse raises the target to \$225 from \$213.

STOCKS THAT MAY MOVE

Equitable

Group (TSX:EQB) The financial services company reported Q3 adjusted earnings per share of \$3.17 (Canadian), up 19% from last year, ahead of analysts estimates of \$3.13 per share. The company also raised its dividend by 25% to 35 cents per share.

Alaris Royalty (TSX:AD) reported its largest quarter for revenue in the company's history at \$30 million, an increase of 32.3% from a year ago, and EBITDA rose 29% to \$25.9 million, as EPS came in at 57 cents per share, handily beating estimates of 44 cents.

Pollard Banknote (TSX:PBL) reported record Q3 sales of \$103.2 million, beating expectations, as net income hit \$4.4 million or 17 cents per share, but lower than last year at the same time, and missing estimates of 22 cents.

Columbia Care (NEO:CCHW). The multi-state cannabis operator said Q3 revenue rose 123% to \$22.1 million (U.S.) from last year, that it took a wider net loss of nearly \$20 million, and that it's buying The Green Solution in a stock and note deal valued at \$140 million.

Barrick Gold (TSX:ABX;NYSE:GOLD) said Q3 adjusted profit nearly tripled to \$264 million (Canadian) or 15 cents per share from \$89 million, or 8 cents per share, a year earlier, on higher gold prices and production.

The company also raised its dividend and projected production for the next five years to be flat from current levels.

HP (NYSE:HPO). Xerox (NYSE:XRX) is considering making a cash and stock offer for the personal computer maker at a premium to the current market cap of about \$27 billion (U.S.), according to the Wall Street Journal.

CVS Health (NYSE:CVS) beat estimates with its earnings and raised its forecast as revenue jumped nearly 37% thanks to its acquisition of Aetna health insurance.

SoftBank Group (OTC:SFTBY) reported its first quarterly loss in 14 years as its Vision Fund lost \$8.9 billion on falling valuations of technology bets such as WeWork and Uber.

MARKETS

S&P/TSX and U.S. equity futures are modestly higher with U.S. indices near all-time highs and few major news catalysts at the moment.

CURRENCIES

The Canadian dollar is down slightly at \$0.7592 (U.S.).

COMMODITIES

West Texas Intermediate is down 0.4% to \$57.02 a barrel after the American Petroleum Institute reported weekly crude inventories rose 4.3 million barrels, nearly triple the estimate.

Gold is up 0.5% at \$1,490.70 an ounce.

DAILY UPDATE



[*Click here*](#) to watch the 30-second advertisement Capital Ideas Media produced for Medexus Pharmaceuticals (TSXV:MDP) that started running this week on BNN Bloomberg for the next month.

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