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Today's new *Capital Ideas Digest* is headlined by a foundational bedrock stock exhibiting growth, resilience and value and is accompanied by several instructive charts.

Please note the Capital Ideas Digest will not be published on Tuesday, December 10 and will return December 17.

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Morning Need to Know

Getting you ready for your investing day

December 3, 2019

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CANADIAN ANALYSTS' CALLS

Medexus Pharmaceuticals (TSXV:MDP). Mackie Research maintains a "buy" rating and a price target of \$10.50 (Canadian), **implying 145% upside**, increases its cost estimates and lowers some sales estimates after the company released earnings results.

Mackie says:

"MDP is a must own for investors investing in the Canadian specialty pharma space as the stock is highly undervalued and the company is in a strong position to deliver robust long-term growth."

CanWel Building Materials (TSX:CWX) gets its target raised by Raymond James to \$6 from \$5.50 after the analyst met with management, and following an upgrade to "outperform" on November 19.



U.S. ANALYSTS' CALLS

INITIATIONS

Ceridian HCM (TSX:CDAY;NYSE:CDAY).

RBC Dominion Securities starts coverage with an "outperform" and a price target of \$71 (U.S.) calling the company:

"...a disruptive innovator leveraging both modern cloud tech with an opportunity to change the fundamental nature of payroll for mid-market and large enterprise clients...With accelerating growth, strong margins, and still low share, we see a long runway for outperformance."

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Lululemon (NASDAQ:LULU). Oppenheimer raises the target to \$260 from \$225 due to superior revenue growth, improving profit margins and an accommodative valuation.

Tesla (NASDAQ:TSLA). Piper Jaffray hikes the target to \$423 from \$372 on its manufacturing, cost control and frugal capital spending.

Alphabet (NASDAQ:GOOGL). Citi ups the target to \$1,500 from \$1,450 and maintains a "buy".

Netflix (NASDAQ:NFLX). Citi cuts to "neutral" and lowers the target to \$325 from \$410.

STOCKS THAT MAY MOVE

Centamin (TSX:CEE) has rejected a \$2.5 billion (Canadian) all-stock bid from **Endeavour Mining (TSX:EDV)** on the grounds it doesn't offer enough value.

Stars Group (TSX:TSGI) is buying the rest of BetEasy for \$138 million.

Dream Industrial REIT (TSX:DIR.UN) has arranged a \$150 million financing as it will sell, on a bought deal basis, 11,160,000 units at \$13.45 per unit to a syndicate of underwriters led by TD Securities.

Pollard Banknote (TSX:PBL) is buying mkodo Ltd., a provider of digital apps in the lottery and gaming industry, for about \$13.4 million.

Wayland Group (CSE:WAYL). Get ready to see more of these in the cannabis sector as the company has announced it's seeking creditor protection to pursue a restructuring plan.

Alimentation Couche-Tard (TSX:ATD.B).

Caltex Australia has rejected the company's sweetened takeover offer but has agreed to provide its suitor with some private information in order to formulate a higher bid.

Hudson's Bay (TSX:HBC).

The company's special committee said that the offer to buy the retailer by minority shareholder Catalyst Capital is not superior to a bid from a group led by HBC Chairman Richard Baker.

Audentes Therapeutics (NASDAQ:BOLD).

Japan's Astellas Pharma is buying the gene therapy company for \$60 (U.S.) a share equal to \$3 billion in cash, a 110% premium to Monday's close.

Bank of Montreal (TSX:BMO)

The bank beat estimates with its earnings thanks to strength in its domestic personal and commercial banking unit, and raised its quarterly dividend by three cents per share to \$1.06.

MARKETS

S&P/TSX and U.S. equity futures erased gains after U.S. President Donald Trump said in London he thinks it may be better to strike a trade deal with China after the U.S. election in November of next year. He's also threatened new tariffs against France, Brazil and Argentina.

CURRENCIES

The Canadian dollar is slightly lower at \$0.75 (U.S.).

COMMODITIES

West Texas Intermediate is down 1% at \$55.42 a barrel

Gold is up 0.8% at \$1,480.50 an ounce.

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Access, insight and ideas.

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