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## **Morning Need to Know**

Getting you ready for your investing day

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

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## **CANADIAN ANALYSTS' CALLS**

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### **INITIATIONS**

#### **Points International**

(TSX:PTS;NASDAQ:PCOM) Acumen Capital starts coverage with a "buy" and a price target of \$19 (U.S.), saying the loyalty points company has a "*history of strong financial performance*" and that the stock is trading at a discount.

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**Airbus of America (TSX:BOS).** CIBC upgrades to "outperformer" and lifts the price target to \$12 (Canadian) from \$11. CIBC has provided investment banking services to the company.

#### **Parkland Fuel (TSX:PKI).**

RBC Capital Markets hikes the target to \$54 from \$44 on the company's strong organic and M&A growth prospects.

**Teranga Gold (TSX:TGZ).** RBC lifts the target to \$8.50

from \$8 on the company's strong asset quality and positive free cash flow.

**Dream Industrial REIT (TSX:DIR.UN).**

CIBC ups the target to \$14.50 from \$13.75 and reiterates an "outperformer" rating, saying the REIT has *"plenty of dry powder to execute on its acquisition pipeline."*

**Pan American Silver (TSX:PAAS;NYSE:PAAS).**

CIBC moves the target to \$26 (U.S.) from \$23 and maintains "outperformer".

**The North West Company (TSX:TWC).**

Industrial Alliance Securities upgrades to "buy" and raises the target to \$30 from \$29.



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

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**Starbucks (NASDAQ:SBUX).**

J.P. Morgan upgrades to "overweight" and moves the target to \$94 (U.S.) from \$90, saying the coffee retailer's use of technology is *"probably the most advanced of all brands we cover."*

**Bausch Health (TSX:BHC;NYSE:BHC).** J.P. Morgan upgrades the former Valeant to "overweight" and hikes the target to \$38 from \$32.

**The Home Depot (NYSE:HD).**

Credit Suisse upgrades to "outperform" and raises the target to \$235 from \$225 after the home improvement

retailer delivered its earnings results yesterday.

**Kroger (NYSE:KR).**

Evercore ISI upgrades to "outperform" on the grocer's same-store sales and profit growth.

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## **STOCKS THAT MAY MOVE**

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**MedMen Enterprises (CSE:MMEN;OTC:MMNFF)** The struggling cannabis retailer has announced several financing arrangements as it tries to fend off a cash crunch including cutting its headcount in the last 30 days by 40%, and seeing its co-founder and President Andrew Modlin turning over his super voting rights to the Executive Chairman for one year.

MedMen is raising \$27 million in a non-brokered offering of subordinate voting shares at \$0.43. The U.S.-listed stock closed Wednesday at \$0.4359. In addition, the interest rate on a \$78 million term loan jumps to 15.5% from 7.5% with the maturity date pushed out two years to January 31, 2022.

The company will also cancel 16.2 million warrants exercisable at \$4.97 per share and issue 40.4 million warrants exercisable at \$0.60 per share.

And MedMen said it's now targeting a selling, general and administrative expenses annual run rate of \$65 million, down from the previous estimate of \$89 million.

MedMen's stock has fallen 85% this year.

**Cresco Labs (CSE:CS)**

The U.S. multi-state operator is raising \$50 million in a sale and leaseback real estate deal in Illinois.

### **Lululemon (NASDAQ:LULU)**

The athletic and leisure wear retailer beat analysts estimates as Q3 net income rose more than 33% from last year, revenue was higher by more than 22% with same-store sales jumping 17% while the company gave a Q4 sales forecast slightly below estimates.

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## **MARKETS**

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**S&P/TSX and U.S. equity futures** are lower as the U.K. holds an election to once again decide the fate of Brexit with voting ending at 5 pm eastern time.

The U.S. and China continue to talk about a phase one trade deal as a Sunday deadline for the U.S. to impose new tariffs looms.

And new European Central Bank President Christine Lagarde did the expected in her first policy decision by holding interest rates steady and leaving the door open to further easing.

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## **CURRENCIES**

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**The Canadian dollar** is down slightly at \$0.7586 (U.S.).

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## **COMMODITIES**

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**West Texas Intermediate** is up 0.3% at \$58.94 per barrel after the International Energy Agency said global crude oil inventories could still rise sharply even if OPEC adheres to its deeper output cuts and

production decreases in the U.S.

**Gold** is up 0.9% at \$1,487.60 an ounce.

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Please email questions, comments or concerns to:

[\*customercare@capitalideasresearch.com\*](mailto:customercare@capitalideasresearch.com)

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**Mark Bunting**

Publisher,

**Capital Ideas Media**

[www.capitalideasmedia.com](http://www.capitalideasmedia.com)



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