



Invest like a pro, with the pros.



Please note the *Capital Ideas Digest* will not be published today and will return December 17.

www.capitalideasmedia.com

Morning Need to Know

Getting you ready for your investing day

December 10, 2019

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



CANADIAN ANALYSTS' CALLS

INITIATIONS

Restaurant Brands (TSX:QSR:NYSE:QSR). RBC Capital Markets begins coverage with an "outperform" and a price target of \$77 (U.S.), seeing "*near best-in-class unit growth, momentum at Burger King and Popeyes and significant scale and potential to add brands in the future.*"

**

Gibson Energy (TSX:GEI). Industrial Alliance Securities lowers to "buy" from strong buy and bumps the price target to \$30 (Canadian) from \$29. **Canaccord Genuity** raises the price target

to \$30 from \$28.

PrairieSky Royalty (TSX:PSK). Stifel Canada, the former GMP Capital, upgrades to "buy" and raises the target to \$17.50 from \$14.25.



U.S. ANALYSTS' CALLS

INITIATIONS

McDonald's (NYSE:MCD). RBC starts coverage with an "outperform" rating and \$218 (U.S.) target, saying they see an attractive opportunity as the company's substantial investments should serve as the foundation for continued revenue momentum, supporting acceleration in earnings and free cash flow in 2020 and beyond.

Starbucks Corp (NASDAQ:SBUX). RBC also initiates coverage on SBUX with an "outperform" and target of \$97, saying changes at the company position it well for strong, double-digit EPS growth, making it a rarity among larger cap consumer names.

VMware (NYSE:VMW). Piper Jaffray begins

coverage with an "overweight" rating and \$170 target, calling it one of the few companies with a true hybrid cloud offering and that it remains "best-in-class".

RH (NYSE:RH). Cowen and Co. raises the target price on the retailer to \$238 from \$155, as they see significant runway for the company to gain further market share partly through its revolutionized store transformations, which include a bar/lounge/restaurant at its Yorkdale, Toronto location, which I happened to walk by the other day. I'm always gathering on the ground empirical research. :)

Netflix (NASDAQ:NFLX). Needham cuts to "underperform" *"because NFLX has consistently stated it will not have advertising, which we believe will result in U.S. subscriber losses..."* and Needham says that the company... *"must add a second, lower priced, service to compete with Disney+, Apple+, Hulu, CBS All Access and Peacock."*

STOCKS THAT MAY MOVE

Lululemon (NASDAQ:LULU) said its COO and executive VP of international will be leaving the company as of January 10.

Tricon Capital Group (TSX:TCN) said its joint venture TAH-JV1 has acquired 708 homes in

Nashville for \$210 million.

European Residential REIT (TSX:ERE.UN)

The REIT plans to raise \$105 million (Canadian) in a bought-deal financing with a syndicate of underwriters led by RBC Capital Markets, which will buy 22,582,000 trust units at \$4.65 each.

Part of the proceeds will be used to buy a Netherlands property for approximately \$154 million. ERES is also selling a commercial property in Düsseldorf, Germany for about \$25 million.

Hudson's Bay (TSX:HBC) said its Q3 net loss widened to \$226 million, or \$1.23, from \$161 million, or 88 cents per share, the same time last year as revenue fell to \$1.84 billion from \$1.89 billion with same-store sales down 1.7%

Enbridge (TSX:ENB) is raising its quarterly dividend by nearly 10% to 81 cents a share, marking the 25th straight year in which the company has raised its dividend.

Agilent Technologies (NYSE:A).

Billionaire hedge fund manager Bill Ackman, who runs **Pershing Square Capital Management**, is back to his winning ways after

a few years of struggle with his main fund up 51% so far this year. Pershing has bought 2.9 million shares in this testing equipment company worth about \$246 million.

Amazon.com (NASDAQ:AMZN) has bought the rights to broadcast European Champions League soccer for the 2021/22 season in Germany.

MARKETS

S&P/TSX and U.S. equity futures are indicated lower as the two House committees running the impeachment inquiry of U.S. President Donald Trump introduce two articles of impeachment this morning related to abuse of office and obstruction of Congress.

CURRENCIES

The Canadian dollar is inching higher at \$0.7557 (U.S.)

COMMODITIES

West Texas Intermediate is flat at \$59 per barrel.

Gold is up 0.3% at \$1,469.10 an ounce.

Please email questions, comments or concerns to: customercare@capitalideasresearch.com

Access, insight and ideas.

Mark Bunting
Publisher,
Capital Ideas Media

www.capitalideasmedia.com



The information and recommendations made available here (“Information”) by CIR and/or all affiliates is for informational purposes only and not to be used or construed as an offer to sell or a solicitation of an offer to buy any services or securities. You further agree that neither Capital Ideas Research will be liable for any losses or liabilities that may be occasioned as a result of the information or commentary provided in the letter. By accessing the site and reading this note, you accept and agree to be bound by and comply with the terms and conditions set out herein. If you do not accept and agree to the terms, you should not use this site or accept this email.

CIR is not registered as an adviser under the securities legislation of any jurisdiction of Canada and provides the Information pursuant to an exemption from the registration requirements that is available in respect of generic advice. The recommendations contained on the site and in this email are not tailored to the needs of particular persons and may not be appropriate for you depending on your financial position or

investment goals or needs. You should apply your own judgment in making any use of the Information, especially as the basis for any investment decision. Prior to making any investment decision, we recommend that you seek outside advice from a qualified and registered investment advisor.

In no event will CIR be responsible or liable to you or any other party for any damages of any kind arising out of or relating to the use of, misuse of or inability to use this site and email. The Information is directed only at persons resident in Canada. Nothing in this site shall constitute an offer or solicitation to anyone in the United States of America or any jurisdiction where such offer or solicitation is not authorized or to any person to whom it is unlawful to make such a solicitation. If you choose to access this site or email from outside of Canada, you acknowledge that the Information is intended for use by persons resident in Canada only.

This is not an investment advisory, and should not be used to make investment decisions. Information in CIR is often opinionated and should be considered for information purposes only. No stock exchange anywhere has approved or disapproved of the information contained herein. There is no express or implied solicitation to buy or sell securities. The writers and editors of CIR may have positions in the stocks discussed above and may trade in the stocks mentioned. Don't consider buying or selling any stock without conducting your own due diligence.

Copyright © 2016 Capital Ideas Research, All rights reserved.

You are receiving this email because you are part of our investment network.

[Add us to your address book](#)

[update subscription preferences](#)

This email was sent to <<Email Address>>

[why did I get this?](#) [unsubscribe from this list](#) [update subscription preferences](#)

Capital Ideas Research · HSBC Bank Place · 10250 101 Street Suite 1803 · Edmonton, Alberta T5J 3P4 · Canada