



Invest like a pro, with the pros.



www.capitalideasmedia.com

Morning Need to Know

Getting you ready for your investing day

October 27, 2020

Written & curated by the Capital Ideas Media team



CANADIAN ANALYSTS' CALLS

Goodfood Market Corp. (TSX:FOOD). Canaccord Genuity analyst Luke Hannan raised his target price on Goodfood shares to \$11.50 from \$9.50, while maintaining a “Buy” rating, saying the Company is likely to benefit from a “favourable backdrop amidst accelerated penetration of Canadian e-grocery and meal kit delivery.”

“We believe the shares offer significant value to investors at current levels, given the company’s robust growth outlook and scale within the relatively under-penetrated Canadian market,” he said.

CareRx Corporation (TSX:CRRX). Canaccord Genuity analyst Tania Gonsalves initiated coverage on the provider of specialty pharmacy services to seniors with a “Buy” rating and a \$6 per share target price, calling the stock an “easy pill to swallow.”

“Following the acquisition of Remedy’sRx in May 2020, CareRx emerged as the #1 provider of specialty pharmacy services to seniors in Canada,” the analyst wrote.

“Specialty pharmacies have high-volume dispensing capabilities in order to service institutions. CareRx serves 50,000 residents in over 900 senior living facilities and generates annual runrate revenue of \$185.0 million. This represents a 12-per-cent share of the estimated 425,000 beds in Canada and 13-per-cent share of the \$1.4-billion market. Management believes the current infrastructure can support a 50-per-cent increase in beds serviced without a material increase in fixed costs. We estimate this would add up to \$100.0 million in revenue, \$25.0-million in EBITDA, and provide for EBITDA margin expansion from sub-10% today to 14-per-cent at scale. We have confidence that this is achievable based on an attractive runway of organic and acquisitive growth.”



U.S. ANALYSTS' CALLS

Palantir Technologies Inc. (NYSE:PLTR). Morgan Stanley analyst Keith Weiss initiated coverage on the data mining company with an "Overweight" rating and \$13 per share price target.

“The near-term opportunity is likely limited to the largest government agencies and commercial enterprises globally, given the large-scale nature of the company's deployments,” Mr. Weiss said.

“Growth has inflected at a \$1 billion revenue run rate, as recent court decisions have changed the way pre-packaged software is bought by the federal government in Palantir's favor.”

Crown Castle International Corp. (NYSE:CCI). Raymond James upgraded shares of the cellular tower REIT to "Outperform" from "Market Perform," with a price target of \$172, saying the setup for guidance and dividend growth is better in fiscal 2021 than in 2020.



STOCKS THAT MAY MOVE

Spin Master Corp. (TSX:TOY) said it is paying about US\$50 million to acquire Britain-based Rubik's Brand Ltd., which owns the rights to the Rubik's Cube.

West Fraser Timber Co. Ltd. (TSX:WFT) announced that it swung to a third-quarter profit of \$5.09 per share from a loss of \$0.65 per share a year earlier, surpassing analyst expectations. Sales, meanwhile, surged 42% to \$1.7 billion.

Restaurant Brands International Inc. (TSX:QSR) reported Q3 net income that fell to \$223 million from \$351 million as same-store sales at Tim Hortons locations dropped 13.7% in Canada.

MARKETS

S&P/TSX and U.S. equity futures are pointing to a higher open Tuesday following the worst U.S. stock selloff in more than a month.

CURRENCIES

The Canadian dollar is up 0.28 at 0.7596 (U.S.).

COMMODITIES

West Texas Intermediate crude oil rose 0.5% at \$38.77 after Saudi Arabia's Energy Minister Prince Abdulaziz bin Salman said on Monday the worst is over for the crude market.

Gold slipped 0.01% to \$1,903.30 an ounce.

Please email questions, comments or concerns to:

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

Access, insight and ideas.

Capital Ideas Media Team

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.

