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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

Largo Resources (TSX:LGO). RBC Capital starts coverage with an "outperform" and a price target of \$3.50 (Canadian), calling the company a "*low-cost vanadium producer positioned for a recovery.*"

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Boyd Group Income Fund (TSX:BYD.UN). Desjardins Securities upgrades to "buy" and lifts the target to \$195 from \$190 after the company announced a CEO succession plan.

The stock closed yesterday at \$171.38 and is **higher by nearly 22%** since our Digest cover story in late March.

Desjardins said of Boyd Group:

"We view BYD as a resilient quality compounder and a recession-resistant name with strong cash flow, M&A and organic growth opportunities as well as high returns on capital, backstopped by a highly disciplined management team."

Extencicare (TSX:EXE) gets upgraded to "outperformer" by CIBC with the price target moved to \$9.50 from \$8.50.

Centerra Gold (TSX:CG). Credit Suisse upgrades to "outperform" and hikes the target to \$14 from \$11.50.

Orca Exploration (TSXV;ORC.B). Mackie Research moves the target to \$7.50 from \$6.75 and maintains a "speculative buy" on the oil and gas exploration and production company that produces and markets natural gas for power generation.

Intact Financial (TSX:IFC) gets its target bumped up to \$125 from \$122 by KBW after the company announced two acquisitions worth \$1 billion.

Canopy Growth (TSX:WEED;NYSE:CGC), which helped to drag the cannabis sector down with

it yesterday after its lousy financial results, sees its target cut by CIBC to \$50 from \$80, its revenue estimates slashed for this year and next, but the rating remains "outperformer". CIBC has done investment banking business with Canopy Growth.

Desjardins Securities drops Canopy's target to \$46 from \$59 and maintains a "hold", saying the stock in the low \$30s would be an attractive entry point. WEED closed Thursday at \$36.41.

Mogo Finance Technology (TSX:MOGO). BMO Nesbitt Burns downgrades to "market perform" and reduces the target to \$3.50 from \$7 following the company's quarterly earnings release.

U.S. ANALYSTS' CALLS

Walmart (NYSE:WMT) gets its target boosted to \$128 (U.S.) from \$125 by Keybank after strong earnings thanks to its U.S. stores and e-commerce.

Alibaba (NYSE:BABA) has its target raised to \$205 from \$200 by J.P. Morgan after the e-commerce giant posted revenue that rose 42% from last year.

STOCKS THAT MAY MOVE

Sleep Country Canada (TSX:ZZZ) has named Craig De Pratto as its CFO. He was the

CFO at Freshii from 2014 to 2019.

Nvidia (NASDAQ:NVDA) beat estimates with its quarterly earnings on the strength of new high-end graphics chips for video games.

Deere & Co. (NYSE:DE). Count this farm equipment manufacturer as another company citing the U.S. and China trade war as the reason for cutting its sales and earnings forecast.

Revlon (NYSE:REV) is exploring options for the business with the stock down 39% this year.

MARKETS

S&P/TSX and U.S. equity futures are higher as markets get set to wrap up a volatile week in which inverted government bond yield curves dominated discussion.

CURRENCIES

The Canadian dollar is slightly higher at \$0.7519 (U.S.).

COMMODITIES DAILY UPDATE

West Texas Intermediate is up 0.6% at \$54.81 a barrel despite OPEC giving a downbeat demand forecast for the rest of the year in which the cartel hi-lighted challenges for 2020 as rivals

pump more oil.

Gold is down 0.6% at \$1,522.30 an ounce.

DAILY UPDATE

This week's *Capital Ideas Digest* presents research on solid, defensive, non-cyclical companies that can hold up well in a downturn.

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

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