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Today's *Capital Ideas Digest* features our transcribed interview with **John O'Connell**, Chairman and CEO of **Davis Rea Investment Counsel**.

He brings his more than 35 years experience managing money and talks about **panics**, when we'll **know the bottom is in**, **high-grading your portfolio** and why **panicked investors need to leave the room**.

Look out for the usual email alert at 7 pm eastern time.

Watch our *[interview](#)* with O'Connell here.

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Morning Need to Know

Getting you ready for your investing day

March 17, 2020



CANADIAN ANALYSTS' CALLS

Norbord (TSX:OSB). RBC Dominion Securities upgrades to "top pick" and lowers the target to \$44 (Canadian) from \$50 in a broad call on forest product producers, saying that COVID-19 will naturally impact the companies earnings but that the shares are generally trading at attractive levels.

Kirkland Lake Gold (TSX:KL;NYSE:KL). Both TD Securities and Scotia upgrade to "outperform" and apply targets of \$58 and \$56 respectively.

Dundee Precious Metals (TSX:DPM). Scotia upgrades to "outperform" and moves the target to \$7 from \$6.50.

Ero Copper (TSX:ERO). PI Financial upgrades to "buy" and lowers the target to \$16 from \$19.25.

Air Canada (TSX:AC). RBC cuts the price target to \$31 from \$46 on the airline's lowered guidance.

Canaccord Genuity lowers the target to \$30 from \$40 and maintains a "buy" rating.



U.S. ANALYSTS' CALLS

Square (NYSE:SQ). Cowen & Co. upgrades to "outperform" on the company's long-term growth prospects.

Apple (NASDAQ:AAPL) gets its target cut by Jefferies to \$320 (U.S.) from \$370 due to the company's store closures.

Vale (NYSE:VALE). Citi upgrades to "buy" and lowers the target to \$12 from \$14.

STOCKS THAT MAY MOVE

Cineplex (TSX:CGX) will be temporarily closing its theatres and other entertainment venues across Canada until April 2 *“in response to growing global concerns around the spread of COVID-19 and various Canadian government directives.”*

The theatre company also implied its deal to be bought by Cineworld could be in jeopardy because, in so many words, it may not be able to meet a certain debt condition.

Cineworld offered to buy CGX at \$34 (Canadian) a share. The stock closed under \$10 yesterday.

CIBC (TSX:CM) will temporarily close more than 200 of its bank branches.

TransAlta (TSX:TA). Business continues as TA has acquired a cogeneration facility in Michigan from two private companies for about \$27 million (U.S.).

Amazon.com (NASDAQ:AMZN)

The e-commerce giant will hire 100,000 warehouse and delivery workers and add \$2 an hour to its

minimum wage of \$15 an hour through April as online orders surge during the coronavirus outbreak.

Pfizer (NYSE:PFE) and BioNTech SE (NASDAQ:BNTX) of Germany have signed a deal to develop a potential vaccine for the coronavirus.

Boeing (NYSE:BA) confirmed it's in talks with the White House and congressional leaders about short-term financial aid for itself and the entire aviation industry.

Chesapeake Energy (NYSE:CHK) has hired debt restructuring advisers following the unexpected rout on oil prices.

Exxon Mobil (NYSE:XOM) will make "significant" spending cuts amid the downturn in the energy sector. XOM shares are at a 17-year low.

Nordstrom (NYSE:JWM) is temporarily shutting its stores in the U.S. and Canada and has pulled its 2020 forecast.

MARKETS

S&P/TSX and U.S. equity futures are tentatively higher after the largest drop on the major indices since 1987.

CURRENCIES

The Canadian dollar is down 0.7% at \$0.7082 (U.S.).

COMMODITIES

West Texas Intermediate is up 1% at \$28.97.

Gold is flat at \$1,485.30 an ounce.

Disclosure: Bunting Media provides marketing services to Davis Rea.

Please email questions, comments or concerns to:

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