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The volatility and dislocation in the market has created opportunities for stock pickers.

It may be too early to take full positions but the new [*Capital Ideas Digest*](#) has some investment ideas for this unprecedented COVID-19 environment.

And what does the other 74% of *John O'Connell's* clients' portfolios consist of that's not 26% in cash?

The Chairman and CEO of Davis Rea Investment Counsel gives us a [sneak peek](#).



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Morning Need to Know

Getting you ready for your investing day

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CANADIAN ANALYSTS' CALLS

INITIATIONS

MedX Health (TSXV:MDX). Beacon Securities starts coverage on the melanoma equipment detection company with a "buy" and a price target of \$0.45 (Canadian), which projects a 350% gain. Beacon has not provided investment banking services to MDX within the last 12 months.

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Canadian Western Bank (TSX:CWB). TD Securities upgrades to "buy" and lowers the target to \$28 from \$34.

Centric Health (TSX:CHH). Beacon Securities moves the price target to \$0.45 from \$0.35 and maintains a "buy" after the company bought Remedy Holding for as much as \$39 million in cash and stock. Beacon has provided investment banking services to CHH within the last 12 months.



U.S. ANALYSTS' CALLS

INITIATIONS

Canadian Pacific Railway (TSX:CP;NYSE:CP). Evercore ISI starts with an "outperform" and a target of \$268 (U.S.)

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3M (NYSE:MMM). Jefferies cuts the target price to \$145 from \$159, saying demand headwinds in auto-

related products, oral care and electronics will offset strong demand in respiratory, personal safety, and consumer cleaning products.

Facebook (NASDAQ:FB).

Citi cuts the target to \$195 from \$240 on the expectation the company's digital advertising revenue will be impacted by the coronavirus outbreak which FB mentioned yesterday, saying that while usage is way up sales are down.

STOCKS THAT MAY MOVE

Stella-Jones (TSX:SJ) said the company falls within the exemptions for essential workplaces and that it plans to continue operations at all of its North America treating facilities and supporting distribution networks *“while being mindful of potential impacts in light of the current context.”*

Micron Technology (NYSE:MU) has forecast current quarter revenue above analysts estimates as the global shift to work-from-home has increased demand for notebooks and data centre services.

Tesla (NASDAQ:TSLA) said it would reopen its New York factory as soon as possible in order to manufacture ventilators.

MARKETS

S&P/TSX and U.S. equity futures have moved modestly higher after investors swallowed the painful medicine of record U.S. jobless claims (see below).

This after two big bear market rally sessions as the \$2 trillion (U.S.) rescue package passes the U.S.

Senate and now moves to the House of Representatives.

In Canada, the federal government is doubling the amount of an aid package for people and businesses to \$52 billion (Canadian) from \$27 billion.

In economic data, the weekly U.S. jobless claims number is eye popping, as expected. A record 3.283 million applied for unemployment benefits, which is actually about double the consensus estimate but less than some projections of about 4 million.

CURRENCIES

The Canadian dollar is up 0.5% to 0.7079 (U.S.) .

COMMODITIES

West Texas Intermediate is down nearly 2.9% to \$23.78 a barrel.

Gold is up 1.7% to \$1,661.60 an ounce.

Disclosure: Bunting Media provides marketing services to Davis Rea.

Please email questions, comments or concerns to:

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