



**Invest like a pro, with the pros.**

---



Ideas to consider on cash-rich companies, biotechs searching for a COVID-19 vaccine, and work-from-home beneficiaries in the latest [\*Capital Ideas Digest\*](#).

---

And *John O'Connell's* favourite stocks are in his buy

zones but he's waiting for better bargains.

The Chairman and CEO of Davis Rea Investment Counsel [\*explains in this clip.\*](#)



---

[www.capitalideasmedia.com](http://www.capitalideasmedia.com)

---

## **Morning Need to Know**

Getting you ready for your investing day

**March 27, 2020**

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



---

## **CANADIAN ANALYSTS' CALLS**

---

**Thomson Reuters (TSX:TRI;NYSE:TRI) gets**

upgraded to "outperform" by RBC Dominion Securities with the price target lowered to \$70 (U.S.) from \$82, with the analyst believing the company can provide capital protection and capital appreciation depending on how the expected recession plays out.

**Magna Int'l (TSX:MG;NYSE:MGA).** TD Securities upgrades to "buy" and lowers the target to \$40 (Canadian) from \$60.

**MTY Food Group (TSX:MTY).** Raymond James says the food court retailer "*wasn't built for pandemics*" and cuts the target to \$35 from \$62 and slashes its earnings estimates for this year and next by more than half.

**Medexus Pharma (TSXV:MDP).** Canaccord Genuity downgrades to "speculative buy" from buy and lowers the target to \$5 from \$6.50, which implies 100% upside.

---



---

## U.S. ANALYSTS' CALLS

---

**Lululemon (NASDAQ:LULU).** Piper Sandler raises the price target to \$249 (U.S.) from \$220 as it expects the company to have a quick and clean recovery post-COVID-19 due to its strong balance sheet and robust digital selling platform.

**Citi** concurs by raising the target to \$230 from \$190

and maintaining a "buy" saying LULU will emerge from the COVID-19 crisis "*stronger*" than ever after a "*standout*" Q4 which capped off a "*strong*" year.

Others, like Wedbush, are cutting the target. See below for more on Lulu's earnings.

**First Quantum (TSX:FM).** Citi upgrades to "buy", lowers the earnings estimates for this year and next and lowers the target to \$11 (Canadian) from \$13.

**Nutrien (TSX:NTR;NYSE:NTR).** Goldman Sachs upgrades to "buy" and lowers the target to \$45 (U.S.) from \$53.

**Colgate-Palmolive (NYSE:CL)** upgraded to "buy" at Stifel Nicolaus and SunTrust RH.

---

## **STOCKS THAT MAY MOVE**

---

**Lululemon (NASDAQ:LULU)** beat estimates with its Q4 earnings as revenue rose nearly 20%. The retailer is pulling its forecast and said yoga mats and blocks are selling well online as people stay at home but online sales are not enough to offset sales lost due to store closures.

**KP Tissue (TSX:KPT)** says Kruger Products has been ramping up production to meet the increased demand for tissue from its customers and consumers.

**Goodfood Market (TSX:FOOD)** has introduced its Essential Canadian Pay Program, raising the pay of all its hourly and salaried operations and production employees by a minimum of \$2 (Canadian) per hour throughout the duration of the COVID-19 crisis.



**Canfor (TSX:CFP)** says it's curtailing Canadian lumber production by approximately 40% over a three-week period, its U.S. operations by 40% over four weeks, and its Swedish lumber production by 50% over four weeks.

**Dream Industrial REIT (TSX:DIR.UN)** has suspended its distribution reinvestment and unit purchase plan *"until further notice, in response to the market disruption caused by the COVID-19 pandemic."*

**Gap (NYSE:GPS)** has withdrawn its forecast, suspended its dividend and draw down its entire \$500 million (U.S.) line of credit.

**Sanofi (NYSE:SNY)** and **Translate Bio (NASDAQ:TBIO)** will work together to develop a coronavirus vaccine.

---

## MARKETS

---

**S&P/TSX and U.S. equity futures** are poised to abruptly end their three-day rally, the longest such gains for the S&P 500, for example, since 1933 when the U.S. was in the depths of the Depression.

**British Prime Minister Boris Johnson**, who was slow to recognize the severity of COVID-19, has tested positive for the virus and is self-isolating.

---

## CURRENCIES

---

**The Canadian dollar** is down 0.7% to 0.7008 (U.S.) as the Bank of Canada cuts its key interest rate to 0.25%.

---

## COMMODITIES

---

**West Texas Intermediate is lower by nearly 3.1% to \$21.88 a barrel.**

**Western Canada Select hit a record low this morning of \$6.45 a barrel.**

**Gold is down 1.6% to \$1,623.70 an ounce.**

---

Disclosure: Bunting Media provides marketing services to Davis Rea.

---

Please email questions, comments or concerns to:

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

---

Access, insight and ideas.

Mark Bunting  
Publisher,  
[\*Capital Ideas Media\*](#)

[www.capitalideasmedia.com](http://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.

---

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