



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



Monday's massive drop for equities has created mispricing for many stocks of solid, profitable companies worth considering for long-term holds.

Today's *Capital Ideas Digest*, look for the email alert at 7 pm eastern time, features research on **15 high conviction stocks at compelling prices.**

## Morning Need to Know

Getting you ready for your investing day

March 10, 2020

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Capital Ideas Media

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### CANADIAN ANALYSTS' CALLS

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**Alvopetro Energy (TSXV:ALV)** gets its target raised by Mackie Research to \$1.65 (Canadian) from \$1.15, implying **175% upside**, and maintains a "speculative buy" after the company increased its reserve estimate at its Cabure project in Brazil.

**Franco-Nevada (TSX:FNV;NYSE:FNV)**

The precious metals royalty company gets its target boosted by CIBC to \$162 from \$157 and the rating is held steady at "outperformer" after FNV's "*strong*" Q4 results and 2020 guidance.

**Premium Resources (TSX:PVG)**. Scotiabank ups the target to \$9.75 from \$9 on the company's updated plan for its Brucejack project.

**ShawCor (TSX:SCL)**. Industrial Alliance Securities is

downgrading the ratings and cutting the target prices of several energy services firms, in light of plunging oil prices due to Saudi Arabia triggering a price war, including SCL which is cut to "speculative buy" with the target slashed to \$7.50 from \$14.

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## U.S. ANALYSTS' CALLS

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**UPS (NYSE:UPS)** gets upgraded to "buy" by Stifel Nicolaus.

**Etsy (NASDAQ:ETSY)**. Jefferies raises its target to \$66 (U.S.) from \$52 on the company's financial prospects.

**Royal Caribbean (NYSE:RCL)** gets its target cut by SunTrust RH to \$102 from \$164 on the impact of coronavirus to its business as the company withdraws its 2020 financial guidance and boosts its revolving credit line.

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## STOCKS THAT MAY MOVE

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**Cenovus (TSX:CVE)**. Canadian energy companies are reacting to Saudi Arabia's price cuts and production increases including CVE, which is cutting its capital expenditure for this year by 32% and suspending its crude-by-rail program.

**Horizon North Logistics (TSX:HNL)** and Dexterra Integrated Facilities Management are merging in an all-stock deal *"to create a leading Canadian support services company."*

**Marathon Oil (NYSE:MRO)** will cut its spending by at least \$500 million, joining other shale oil producers in reducing drilling as oil prices tumble to historic lows.

**Slate Office REIT (TSX:SOT.UN)** is buying Cypress Financial Center in Fort Lauderdale, Florida for \$45.5 million.

**Cypress Semi (NASDAQ:CY)** could move today after U.S. regulators said there are no unresolved national security concerns in Infineon's \$10 billion attempt to take the company over.

**Blackstone (NYSE:BX)** is in talks to take Chinese developer SOHO China private in a \$4 billion deal, according to Reuters.

**Revlon (NYSE:REV)**. The perpetually struggling cosmetics company hopes to save up to \$230 million annually by the end of 2022 by cutting 1,000 jobs as it explores strategic options with Goldman Sachs.

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## **MARKETS**

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**S&P/TSX and U.S. equity indices** are rebounding after Monday's huge, historic drops for global indices partly as governments promise fiscal stimulus plans to gird economies against the impact of the coronavirus.

U.S. President Donald Trump, for example, will meet with Congress today and is expected to announce "major steps" to aid the U.S. economy.

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## CURRENCIES

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The Canadian dollar is recovering somewhat from Monday's shellacking, higher by 0.3% to \$0.7316.

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## COMMODITIES

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West Texas Intermediate has rebounded by 7.7% to \$33.54 a barrel, recovering some of the losses from yesterday, the largest since the Gulf War in 1991, as Russia says it hasn't ruled out coordinated efforts with OPEC to support oil prices.

Gold is down 0.7% at \$1,663.70 an ounce as some risk appetite returns to the market.

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Access, insight and ideas.

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