



Invest like a pro, with the pros.



When the market hits bottom, great companies will be trading at levels we haven't seen in four or five years, according to John O'Connell, Chairman and CEO, Davis Rea Investment Counsel.

In [*this excerpt*](#) from our interview, O'Connell uses

this "amazing" company as an example of a way for investors to "high-grade" their portfolios.

We'll be interviewing O'Connell again today for his latest insights on what's going on behind the scenes in capital markets during this uncertain and turbulent time, and for more advice on how investors can get through it and profit.

Next week in the *Digest*, stocks too cheap to ignore and companies that can benefit from the changes caused by the COVID-19 outbreak.

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Morning Need to Know

Getting you ready for your investing day

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CANADIAN ANALYSTS' CALLS

Fiera Capital (TSX:FSZ). TD Securities upgrades to "buy" and lowers the price target to \$9 (Canadian) from \$13. RBC ups the target to \$7 from \$6.50 on the company's Q4 earnings.

Cameco (TSX:CCO;NYSE:CCJ). Scotia Capital upgrades to "outperform" and lowers the target to \$13 from \$13.50 citing an attractive valuation and the defensive nature of uranium.

Fortis (TSX:FTS;NYSE:FTS) CIBC upgrades a number of utilities and lowers their targets including FTS which goes to "outperformer" and the target is reduced to \$55 from \$59.

Thomson Reuters (TSX:TRI). TD Securities upgrades to "buy" with the target dropped to \$95 from \$110.

Bank of Montreal (TSX:BMO). TD Securities upgrades a number of banks and lowers the targets. BMO goes to "action list buy" with an \$84 target, down from \$99.

Bank of Nova Scotia (TSX:BNS) to "buy" with a \$66 target, down from \$75.

CIBC (TSX:CM) to "action list buy" with a \$105 target, down from \$110.

National Bank of Canada (TSX:NA) to "buy" with a \$53 target, slipping from \$67.



U.S. ANALYSTS' CALLS

Lululemon (NASDAQ:LULU). Citi upgrades to "buy", lowers the EPS estimates for this year and next, and keeps the price target at \$190 (U.S.), with the analyst saying the retailer's long-term

growth remains intact and that it stands out in its coverage universe.

Oracle (NASDAQ:ORCL) gets upgraded by JP Morgan to "overweight" with the target lifted to \$55 from \$51.

Gilead Sciences (NASDAQ:GILD).

The biotech gets its target boosted to \$90 (U.S.) from \$70 by Piper Sandler on the company's growing antivirals medicine franchise.

STOCKS THAT MAY MOVE

Cronos Group (TSX:CRON;NASDAQ:CRON).

The Securities and Exchange Commission has sent an inquiry to cannabis producer Cronos Group requesting the company retain records related to how it recognizes certain revenue, according to an exclusive report by MarketWatch.

Air Canada (TSX:AC) will temporarily lay off about 5,1000 workers until at least April 30 in response to COVID-19, according to the company's flight attendant union.

K-Bro Linen (TSX:KBL). the steady flow of COVID-19-related warnings continues with CEO Linda McCurdy saying the pandemic "*will have a significant adverse impact on our operations and financial results in 2020, particularly in the second quarter,*" due to large declines in hospitality volume.

New Gold (TSX:NGD) says its Rainy River Mine, which is close to the U.S. border, has temporarily suspended operations for two weeks so that its local workforce can follow the 14-day period of self-

isolation recommended by governments related to travel outside Canada.

BRP (TSX:DOO) beat Q₄ earnings estimates and suspended its dividend.

Walmart (NYSE:WMT), which hit an all-time high this week, will hire 150,000 hourly workers to handle a surge in demand, and will pay a special cash bonus of \$300 to full-time workers and \$150 to part-time workers.

Intercontinental Hotels Group (NYSE:IHG) said demand for hotel rooms is at record lows with revenue in March down 60%, and that it plans to cut \$150 million in costs as it deals with the slowdown caused by the coronavirus outbreak.

Walt Disney (NYSE:DIS), **JP Morgan (NYSE:JPM)** and **UPS (NYSE:UPS)** were among seven major companies that had to accept a big rise in their borrowing costs in order to issue bonds on Thursday, according to Reuters.

Altria (NYSE:MO) says CEO Howard Willard has contracted the coronavirus and he'll take temporary medical leave.

MARKETS

S&P/TSX and U.S. equity futures have been cut in half from their highs overnight but remain higher as the most volatile week since the financial crisis gets set to wrap up.

CURRENCIES

The Canadian dollar is up at an even 0.70 (U.S.).

COMMODITIES DAILY UPDATE

West Texas Intermediate is flat at \$25.91 after its largest gain ever on Thursday.

Gold is getting a bid again at \$1,496.40 an ounce.

DAILY UPDATE



Watch the full [interview](#) with John O'Connell here, and [read the transcription](#) here.

Disclosure: Bunting Media provides marketing services to Davis Rea.

Please email questions, comments or concerns to:

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