



Invest like a pro, with the pros.



Here's an analogy from **John O'Connell**, Chairman and CEO of Davis Rea, telling investors how they should act during a panic:

"The fox is in the hen house — it's better to be the fox. That also implies that selling during a panic, historically speaking, is a bad idea and eating chickens

is a good idea.

Stocks may fall more as people become consumed by the fear of falling prices. Valuations of excellent companies will become very attractive. The foxes will feast.

We raised cash prior to the panic. We are ready and excited at the prospect to invest. As with all panics, they pass and the companies that have strong business models will flourish again.

The dividends on many companies are 3X what are available in 'safe investments' like bonds. While these companies' valuations may fluctuate tremendously in the days ahead their long-term values are growing."

With that fox image in mind, access the new [Capital Ideas Digest](#) for research on **15 high conviction stocks at compelling prices.**

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Morning Need to Know

Getting you ready for your investing day

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Capital Ideas Media**



CANADIAN ANALYSTS' CALLS

INITIATIONS

Nutrien (TSX:NTR;NYSE:NTR). Atlantic Equities starts coverage with an “overweight” rating and \$50 (U.S.) target.

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Mullen Group (TSX:MTL). Mullen Group upgrades to “outperform” with the target lowered to \$9 (Canadian) from \$10.

Kinder Morgan (NYSE:KMI). BofA Global Research upgrades to “buy” with a \$19 (U.S.) target.

Pretium Resources (TSX:PVG). Numis Securities raises to “add” with an \$11.50 (Canadian) target.

Suncor (TSX:SU;NYSE:SU) gets its price target cut by J.P. Morgan to \$33 from \$43, saying the company's high exposure to the oil price will weigh on earnings.



U.S. ANALYSTS' CALLS

FedEx (NYSE:FDX). Cowen & Co. cuts the target to \$160 (U.S.) from \$185.

STOCKS THAT MAY MOVE

Brookfield Asset Management

(TSX:BAM.A;NYSE:BAM) has suspended the \$2 billion (Canadian) sale of a coal terminal in Australia due to the uncertainty created by the coronavirus.

Kirkland Lake Gold (TSX:KL;NYSE:KL) will shut two gold projects in Australia deeming the operations surplus.

TerrAscend (CSE:TER)

The company has arranged an \$80.5 million loan from **Canopy Growth (TSX:WEED;NYSE:CGC)** in the form of a debenture and WEED will also receive more than 17.8 million common share purchase warrants.

Slate Retail REIT (TSX:SRT.UN) is buying seven grocery-anchored assets for \$106.5 million (U.S.) and will finance the deals with existing balance sheet capital.

Ballard Power Systems (TSX:BLDP;NASDAQ:BLDP) announced that it has entered into an at-the-market equity distribution agreement with BMO Capital Markets as lead agent to issue up to \$75 million of common shares.

Altius Minerals (TSX:ALS) said that subsidiary Altius Renewable Royalties has struck a \$35 million (Canadian) royalty financing agreement with Apex Clean Energy *“related to an extensive portfolio of wind and solar energy development projects located across North America.”*

Metro (TSX:MU) will invest \$420 million to build an automated distribution centre in Terrebonne, Quebec, and expand its produce and dairy products facility in Laval, Quebec.

Seven Generations Energy (TSX:VII) is among the latest energy firms to rapidly respond to Saudi Arabia's oil price war by cutting its 2020 capital investment budget by \$200 million to \$900 million.

MEG Energy (TSX:MEG) is doing likewise by cutting its capex for 2020 to \$200 million from the initial \$250 million budget.

DXC Technology (NYSE:DXC) will sell its healthcare technology business to Veritas Capital for \$5 billion (U.S.) in cash.

PepsiCo (NYSE:PEP) is buying energy drink maker Rockstar for \$3.85 billion.

MARKETS

S&P/TSX and U.S. equity indices are indicating that stocks are settling in, for now, into a one session up, one session down pattern as some of the gains from yesterday are set to be unwound.

The Bank of England has cut its key interest rate by 50 basis points and announced stimulus measures.

The British government is also launching a stimulus package in an attempt to ward off the economic damage from the coronavirus. The European Central bank is expected to follow suit tomorrow.

And the Canadian government is currently announcing as some financial help for the provinces.

CURRENCIES

The Canadian dollar has dipped below \$0.73 at \$0.7275 (U.S.).

COMMODITIES

West Texas Intermediate is down by 3.4% to \$33.19 a barrel after Saudi Arabia confirmed its plan to hike oil production - 13 million barrels per day from 12 million - for the first time in a decade.

Gold is up for the fourth session in five to \$1,665.40 an ounce.

Please email questions, comments or concerns to:

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