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Tomorrow's new *Capital Ideas Digest* looks at a "perfect storm" for a company whose products assist in the recovery of COVID-19 patients, and another one whose shares are spiking as it works on a simple test kit.

Plus, we'll have research on **quality stocks at cheap**

prices, and a revamped top picks list for Q2.

Also, the podcast versions of our conversations with *John O'Connell* are now available [here](#).

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Morning Need to Know

Getting you ready for your investing day

April 13, 2020

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CANADIAN ANALYSTS' CALLS

Crombie REIT (TSX:CRR.UN). Canaccord Genuity upgrades to "buy" and lowers the price target to \$14.50 (Canadian) from \$17 in a broad, mostly cautious call on the REIT sector.

Killam REIT (TSX:KMP.UN) is also raised to "buy" by Canaccord with the target lowered to \$21 from \$22.

CAE (TSX:CAE;NYSE:CAE) is upgraded to "outperformer" by CIBC with the target cut to \$24 from \$43.



U.S. ANALYSTS' CALLS

Advance Auto Parts (NYSE:AAP).

RBC moves the target to \$120 (U.S.) from \$99 as the company's stores remain open, it's producing cash flow and building goodwill with customers and associates.

Scott's Miracle-Gro (NYSE:SMG) gets its target boosted to \$130 from \$114 by Raymond James.

Alibaba (NYSE:BABA) gets its target hiked by Keybank to \$255 from \$248 as its gross merchandise value recovers and e-commerce sales in China are better than expected as that country's economy slowly re-opens.

STOCKS THAT MAY MOVE

Aurora Cannabis (TSX:ACB;NYSE:ACB) is planning a 1-for-12 share consolidation in order to stay in compliance with New York Stock Exchange listing requirements. ACB's U.S.-listed stock closed Thursday at \$0.88 (U.S.).

BSR REIT (TSX:HOM.UN) has sold three properties totalling 632 apartment units in Longview, Texas it consider non-core for about of \$52.5 million.

Fire & Flower Holdings (TSX:FAF)

The cannabis company has arranged two proposed private placements of convertible debentures and subscription receipts for proceeds of up to \$25 million.

Bombardier (TSX:BBD.B) is taking tentative steps to re-start assembly of its corporate jets at its Toronto plant with some employees returning to work today ahead of a planned resumption of operations on April 27.

Boeing (NYSE:BA) has hired **Lazard (NYSE:LAZ)** and **Evercore** to assess potential government assistance or private sector loans.

Macy's (NYSE:M)

The retailer has also hired Lazard to look at ways to bolster its finances.

JP Morgan (NYSE:JPM) and other big U.S. banks are getting ready to become oil and gas operators by setting up independent companies and hiring executives in order to avoid losses on loans to distressed energy companies.

AutoNation (NYSE:AN) CEO Cheryl Miller has taken a leave of absence for health reasons and will be replaced temporarily by the company's executive chairman.

MARKETS

S&P/TSX and **U.S. equity futures** are indicating a lower opening to start the week as JP Morgan and Wells Fargo will unofficially kick off earnings season tomorrow with corporations giving updates on how COVID-19 is affecting their business, and analysts likely having to continue to lower their earnings estimates.

CURRENCIES

The Canadian dollar...

is down slightly at 0.7159 (U.S.) ahead of Wednesday's Bank of Canada announcement on interest rates and its quarterly monetary policy report. Both are due Wednesday morning. StatsCan will also release that day a flash reading of March GDP numbers and an estimate of Q1 economic growth.

CIBC Capital Markets said:

"We now look for something 'big' to be announced at the BOC meeting this week."

Possibilities include yield curve control, a more forceful version of the bank's forward guidance, introduction of facilities aimed at private sector assets or an expansion of the current purchase program, according to The Globe and Mail.

COMMODITIES

West Texas Intermediate is up a modest 1.1% to \$23 a barrel as any enthusiasm for the OPEC+ deal to cut production by nearly 10 million barrels a day starting next month combined with some G20 agreement on production cuts appears mostly priced in.

Goldman Sachs believe crude prices will continue to fall as global supply outstrips demand.

Gold is taking a pause, down 0.8% at \$1,739.10 an ounce, after surging last Thursday on the Fed's \$2.3 trillion loan program, which some are criticizing as a bailout of private equity and hedge funds.

WHAT WE'RE READING

Goldman Sachs strategists believe the bottom for the market was hit on March 23:

“The combination of unprecedented policy support and a flattening viral curve have dramatically reduced downside risk for the U.S. economy and financial markets and lifted the S&P 500 out of bear market territory.”

An alternative view explains why stocks will revisit their lows and when it will happen. From [MarketWatch](#).

Please email questions, comments or concerns to:

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