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Morning Need to Know

Getting you ready for your investing day

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CANADIAN ANALYSTS' CALLS

INITIATIONS

Converge Technology Solutions (TSXV:CTS). Raymond James starts at "outperform" with a target of \$2.25 (Canadian). The stock closed Thursday at \$1.27.

WELL Health Technologies (TSX:WELL) Stifel GMP reiterates a "buy" rating and a price target of \$2.60, implying 18% upside, saying the company is in a "*strong position to capitalize*" on the tele-health trend and that it could be a takeout candidate for private equity, Telus Health or Loblaw.

WELL closed Wednesday at a record high of \$2.27 a share and has been a brilliant stock since our cover story last March, rising 320%.

Alamos Gold (TSX:AGI). CIBC ups the target to \$14 from \$11.75.

Maple Leaf Foods (TSX:MFI) gets its target boosted

to \$39 from \$36 by Canaccord Genuity following better than expected Q1 results.

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Shopify (TSX:SHOP;NYSE:SHOP).

Canaccord Genuity downgrades to "hold" on valuation, cuts its EPS estimates for this year and next and maintains a \$600 (U.S.) target.

Interesting comments from **Ben Thompson**, publisher of **Stratechery**, on why he disagrees with Shopify's plan for a consumer app:

"The Shop app is in the wrong spot in Shopify's value chain, there is a question of competence: platform companies are generally not good at consumer products and visa versa, and B2B companies don't generally transition well to B2C. Different skill sets, different cultures, and yes, different value chains."

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Canadian Apartment Properties REIT

(TSX:CAR.UN). Desjardins Securities upgrades to "buy" and lowers the target to \$57 (Canadian) from \$61.

CGI Group (TSX:GIB.A). Desjardins Securities raises the target to \$100 from \$96, lowers the EPS estimates for 2020 and 2021, and keeps a "buy" rating.



U.S. ANALYSTS' CALLS

Mercer Int'l (NASDAQ:MERC). Credit Suisse upgrades to "outperform" and moves the target to \$12 (U.S.) from \$10.

Facebook (NASDAQ:FB). UBS boosts the target to \$242 from \$223 as business in March and April exceeded estimates.

MasterCard (NYSE:MA).

SunTrust RH ups the target to \$330 from \$295, while Cowen & Co. raises the target to \$297 from \$280 on its superior growth profile.

Microsoft (NASDAQ:MSFT). RBC moves the target to \$196 from \$190 after earnings results.

Tesla (NASDAQ:TSLA). Oppenheimer hikes target to \$968 from \$684, while Piper Sandler ups the target to \$939 from \$819 after better than expected earnings.

See more on MSFT, FB, and TSLA below.



STOCKS THAT MAY MOVE

IMV (TSX:IMV;NASDAQ:IMV) has announced a private placement of nearly 7.8 million units for \$2.86 (Canadian) each for proceeds of slightly more than \$22 million.

Facebook (NASDAQ:FB) is up by 10% after releasing its earnings results and saying it's seeing signs of

stability in advertising.

Microsoft (NASDAQ:MSFT) is also higher after beating estimates on revenue and profit on its cloud business and Teams video conferencing platform.

Tesla (NASDAQ:TSLA) is up about 8% after turning in a surprise profit, it's third in a row, versus the loss expected.

McDonald's (NYSE:MCD) said Q1 profit fell nearly 17% due to the pandemic but the company says about 75% of its restaurants around the globe remain operational.

Royal Dutch Shell (NYSE:RDS.B) has cut its dividend for the first time since World War II as it preserves cash during the virus outbreak.

Comcast (NASDAQ:CMCSA) The cable and media company added 477,000 broadband customers in Q1, the most in 12 years, but revenue missed estimates and profit fell as advertising dropped.

Zoom Video (NYSE:ZM) has backtracked on its claim from a company blog last week that it had seen a jump in daily users to 300 million.

What the company meant was 300 million daily participants. Zoom said the initial claim was a "*genuine oversight*".

MARKETS

S&P/TSX and U.S. equity futures are mostly lower as the U.S. added another 3.84 million claims to the jobless list, making it nearly 30 million in the past six weeks.

Meanwhile, U.S. consumer spending dropped 7.5% in the most recent reading, more than estimates.

CURRENCIES

The Canadian dollar is holding steady at 0.7204 (U.S.).

COMMODITIES

West Texas Intermediate crude oil is up another 13% to \$17.02 a barrel after a smaller than expected build of U.S. inventories.

Gold is up 0.5% to \$1,721.40 an ounce.

TUESDAY, APR 28, 2020

INVEST LIKE A PRO, WITH THE PROS

CAPITAL IDEAS DIGEST



COVER STORY
WHY AN OIL BEAR MARKET SETS UP A NATURAL GAS BULL MARKET. THESE FIVE NATGAS-GEARED STOCKS COULD THRIVE



Mark Bunting
Publisher

There's been lots of interest from subscribers in the new [*Capital Ideas Digest*](#), which highlights research on a natural gas bull market.

See five stocks that could benefit.

Please email questions, comments or concerns to:

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Access, insight and ideas.

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