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Tomorrow's new *Capital Ideas Digest* includes **10 highest-ranked Best Picks**, and a billionaire hedge fund manager's thoughts on where he thinks stocks are headed.

Morning Need to Know

Getting you ready for your investing day

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CANADIAN ANALYSTS' CALLS

INITIATIONS

Lightspeed POS (TSX:LSPD). RBC Dominion Securities starts coverage with a "sector perform" and a price target of \$25 (Canadian) for the provider of restaurant and retail point-of-sale software.

Analyst Paul Treiber said COVID-19 is having a "*material impact*" on the company but that it should be able to "*weather the storm*".

We featured LSPD in a Digest cover story in early April of 2019 when the stock was trading around \$21. It promptly more than doubled to more than \$48 in August and has now made a round trip to close Friday at \$21.

Tervita (TSX:TEV). TD Securities upgrades to "buy" with a target of \$5 on its financial performance.

Asanko Gold (TSX:AKG). Berenberg lifts the target

to \$1.80 from \$1.70 after the company reported record quarterly gold production.

Ag Growth Int'l (TSX:AFN). Desjardins Securities upgrades to "buy" and lifts the target to \$29 from \$28.

Fortis (TSX:FTS;NYSE:FTS). Industrial Alliance analyst Elias Foscolos assumes coverage of four utilities including FTS which he downgrades to "buy" and boosts the target to \$58 from \$56.



U.S. ANALYSTS' CALLS

Abbvie (NYSE:ABBV) gets raised to "outperform" by RBC with the target hiked to \$94 (U.S.) from \$79 as the analyst expects the company's peers to be affected more adversely by COVID-19.

Procter & Gamble (NYSE:PG). Berenberg moves the target to \$123 from \$115 following earnings results.



STOCKS THAT MAY MOVE

CAE (TSX:CAE;NYSE:CAE) has recalled about 1,500 workers as the Canadian government's wage subsidy program helps put some furloughed workers back on the payroll.

Alimentation Couche-Tard (TSX:ATB.B)

The company has shelved, for the time being, its \$5.6 billion bid for gas station and convenience store operator Caltex Australia as fuel demand plunges and companies preserve cash amid the pandemic.

Crescent Point Energy (TSX:CPG;NYSE:CPG)

The firm has taken out the knife again and lowered its 2020 capital expenditures guidance by \$75 million, or 10%, to as low as \$650 million, while operating expenses get cut by 20%, and annual production guidance is chopped by another 15%.

Husky Energy (TSX:HSE) has also made additional cuts to its capex, this time by \$700 million to as low as \$1.6 billion, about half the initial annual forecast.

Trilogy Metals (TSX:TMO;NYSE:TMO)

The money has appointed former Ivanhoe Mines president, Kinross Gold CFO, and current Trilogy board member Tony Giardini as president and CEO, starting on June 1.

Novartis (NYSE:NVS) has won U.S. FDA approval to start a randomized Phase III clinical trial of malaria drug hydroxychloroquine against COVID-19 disease, with the recruitment of 440 patients to begin within weeks.

Philips (NYSE:PHG) said quarterly EBITDA fell 33% and sales declined 2%. The maker of lightbulbs to medical scanners had previously scrapped its 2020 forecast due to the pandemic.

Alibaba (NYSE:BABA) plans to spend \$28 billion (U.S.) over the next three years on

its cloud infrastructure.

Facebook (NASDAQ:FB) is planning to launch a mobile gaming app today that will compete with Amazon's Twitch and other gaming services.

Norwegian Cruise Lines (NYSE:NCLH) has hired Goldman Sachs to explore selling a stake in the company.

Boeing (NYSE:BA). China Development Bank Financial Leasing has cancelled an order for 29 737 MAX jets in the wake of GE's aircraft leasing subsidiary cancelling a similar order for 69 737 MAX planes.

MARKETS

S&P/TSX and U.S. equity indices have started lower to begin a week laden with earnings results from the likes of Canadian Pacific, Alphabet, Coca-Cola and Netflix.

As a matter of interest, for the **first time since 2004**, no merger or acquisition worth more than \$1 billion was announced worldwide last week, according to Refinitiv.

CURRENCIES

The Canadian dollar is down 0.7% at 0.7009 (U.S.).

COMMODITIES

West Texas Intermediate. The May futures contract, which expires tomorrow, is getting all of the attention this morning, dropping as much as 38% to below \$12 a barrel, the lowest price since 1999, in

what traders are calling "supercontango", in which the spot price trades at a deep discount to the price of futures contracts.

But the June futures contract is seeing the most activity and is sitting down 12% at \$21.96 a barrel as concern builds that U.S. oil storage will soon be full.

Gold is flat at \$1,698.50 an ounce.

Please email questions, comments or concerns to:

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