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**Morning Need to Know**

**Getting you ready for your investing day**

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Capital Ideas Media**

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## **CANADIAN ANALYSTS' CALLS**

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### **INITIATIONS**

**Torex Gold Resources (TSX:TXG).** BMO Nesbitt Burns starts coverage with an "outperform" and a price target of \$29 (Canadian). TXG closed at \$19.11.

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**Kneat.com (TSXV:KSI).** We haven't checked in on this software-as-a-service (SaaS) company for biotech, pharmaceutical and medical device makers for a while.

You may recall KSI was a cover story in **September of 2018** based on Echelon Wealth research, which gave the stock a **\$3 target, implying 170% upside.**

Talk about nailing it because **16 months later the stock hit \$3.** After the recent pummeling and rebound for stocks, KSI closed Thursday at \$2.02.

Mackie Research is sticking to its "buy" rating on Kneat and a **\$2.50 target, meaning a 28% projected return.**

Kneat is still unprofitable but Mackie sees revenue

growth in 2021 of about 80% and possibly some contracts with some big name companies such as Johnson & Johnson.

**Franco-Nevada (TSX:FNV;NYSE:FNV)**  
**Wheaton Precious Metals (TSX:WPM;NYSE:FNV).**

Industrial Alliance Securities raises its forecasts for gold for 2020, 2021 and 2022 and its targets for these two royalty companies to \$230 from \$180 for FNV and \$69 from \$55 for WPM.

**Mullen Group (TSX:MTL)** RBC raises the target to \$5 from \$4 after the company's earnings report, which included an announcement of 1,000 layoffs.

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## U.S. ANALYSTS' CALLS

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**Domino's Pizza (NYSE:DPZ).** Jefferies raises the target to \$370 (U.S.) from \$355 on sales from digital, delivery and carryout.

**Eli Lilly (NYSE:LLY).** JP Morgan lifts the target to \$175 from \$150 saying the company is the best positioned growth story in its coverage universe.

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## STOCKS THAT MAY MOVE

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## **Aecon (TSX:ARE)**

The engineering and construction company took a wider quarterly loss than last year but revenue rose 15%, ahead of estimates, and the company has a near record order backlog of about \$7 billion (Canadian).

**Barrick Gold (TSX:ABX;NYSE:GOLD)**. Papua New Guinea has refused the company's application to extend mining at its Porgera mine by 20 years.

**Johnson & Johnson (NYSE:JNJ)** has struck a \$135 million (U.S.) deal with **Emergent BioSolutions (NYSE:EBS)** to use the company's manufacturing facilities to produce 1 billion doses of a vaccine that JNJ is developing to fight the coronavirus.

**Sanofi (NYSE:SNY)**. The French drugmaker said Q1 net income grew 16%, about half of that due to sales related to the pandemic, and it maintained its 2020 financial forecast.

**Alphabet (NASDAQ:GOOGL)** plans to slash its marketing budget in the second half of the year by up to 50%.

**Continental Resources (NYSE:CLR)**. In a sign of the times, the company has halted most of its shale oil production in North Dakota and told customers it would not supply crude oil after prices plunged into negative territory this week.

**Hertz Global (NYSE:HTZ)** is working with debt restructuring advisers to figure out how to deal with the company's \$17 billion debt pile.

**Intel (NASDAQ:INTC)** is down 4% in pre-market after its Q2 forecast was below estimates as it cited

the cost of a new PC chip and withdrew its full-year forecast.

**American Express (NYSE:AXP)** saw its quarterly profit drop 76% from a year ago as it set aside \$2.6 billion to cover potential losses.

**JC Penney (NYSE:JCP)** is in advanced talks about \$1 billion in debtor-in-possession financing for a court-supervised Chapter 11 bankruptcy protection process, according to The Wall Street Journal.

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## **MARKETS**

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**S&P/TSX and U.S. equity futures** are indicating a higher opening.

In economic data affected by the pandemic, U.S. durable goods orders dropped the most since 2014, U.K. retail sales plunged the most on record, and German business confidence hit a record low.

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## **CURRENCIES**

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**The Canadian dollar** is inching up at 0.7116 (U.S.).

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## **COMMODITIES**

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**West Texas Intermediate** is trading up another 4.2% to \$17.20 a barrel on the June contract to wrap up a historic week in which the May contract briefly turned negative.

**Gold** is pushing higher by 0.5% to \$1,754.90 an ounce.

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**10 Highest-Ranked Best Picks** based on a screen for quality, value and momentum can be found in the

latest [Capital Ideas Digest](#) which utilizes the quantitative program of a research firm.

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Please email questions, comments or concerns to:

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