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**Institutional investors are as bullish as they've been in two years.**

Today's new *Capital Ideas Digest* tells you why.

We also look at a "landmark" supply contract to

fight COVID-19 giving a company's stock 120% upside.

And a "must-own" stock to play an oil rebound.

Look for the email alert at 7 pm eastern time.

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## Morning Need to Know

Getting you ready for your investing day

April 7, 2020

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Capital Ideas Media



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## CANADIAN ANALYSTS' CALLS

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### INITIATIONS

**Kraken Robotics (TSXV:PNG).** Canaccord Genuity initiates with a “speculative buy” rating and 75 cent (Canadian) target, which implies 108% upside.

**Alimentation Couche-Tard (TSX:ATD.B).** Stifel GMP starts coverage with a “buy” rating and \$43 target.

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**Mullen Group (TSX:MTL)** gets upgraded to "speculative buy" from hold by Industrial Alliance Securities with the price target held steady at \$6.50. The analyst believes the shares have been "*sufficiently discounted*".

**Pason Systems (TSX:PSI)** also gets upgraded by Industrial Alliance for similar reasons with the target maintained at \$8.50.

**Profound Medical (TSX:PRN)**. Mackie Research downgrades to "hold" from speculative buy on valuation, and maintains a price target of \$16.20.

The stock is up 46% since Mackie's last call on March 23, and 290% since it initiated coverage.

PRN also surged 146% after our interview with the CEO in August of 2017 and is still higher by 37%. The stock closed Monday at \$15.49.

**Air Canada (TSX:AC)**. CIBC cuts the target to \$29 from \$37 due to capacity reduction because of the pandemic.

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## **U.S. ANALYSTS' CALLS**

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**Beyond Meat (NYSE:BYND)** gets its target cut to \$77 (U.S.) from \$108 by JP Morgan.

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## **STOCKS THAT MAY MOVE**

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**iAnthus Capital (CSE:IAN)** has defaulted on interest payments due March 31 on \$159.2 million (Canadian) in debentures. The cannabis company has formed a special committee to oversee a strategic review, has hired Canaccord Genuity as a financial advisor, and postponed the release of its 2019 financial results and the corresponding conference call.

**Organigram Holdings (TSX:OGI;NASDAQ:OGI)**  
The cannabis company is temporarily laying off about 45% of its workforce “*primarily to help boost COVID-19 containment efforts representing approximately 400 employees.*”

**People Corp. (TSXV:PEO)** has increased the size of a bought deal financing with a syndicate of underwriters to \$22 million from \$20 million whereby the underwriters will purchase about 3.08 million shares for \$7.15 each.

**Cineplex (TSX:CGX).**

It's looking increasingly unlikely that Cineworld of the U.K. will be able to complete its \$1.65 billion takeover of the theatre exhibitor as all of Cineworld's cinemas in 10 countries are closed and it's in talks with its lenders about its liquidity requirements after borrowing \$2.2 billion to help to pay for the CGX deal.

**Exxon Mobil (NYSE:XOM)** will cut spending by 30% this year or about \$10 billion.

**Boeing (NYSE:BA)** has suspended production of its 787 airplane in South Carolina.

**UPS (NYSE:UPS)** said a management team member

in Kentucky died from COVID-19 over the weekend.

### **Archer Daniels Midland (NYSE:ADM).**

Four workers at the company's corn processing facility in Clinton, Iowa, have tested positive for the coronavirus.

### **Freeport-McMoRan (NYSE:FCX).**

Three employees at a New Mexico mine owned by the copper producer have tested positive for COVID-19, the lung infection caused by the coronavirus.

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## **MARKETS**

S&P/TSX and U.S. equity futures are sharply higher again today after a strong rally on Monday.

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## **CURRENCIES**

The Canadian dollar is up 1% at 0.7159 (U.S.) on higher oil prices and a weaker U.S. dollar.

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## **COMMODITIES**

West Texas Intermediate is up 2.3% to \$26.69 a barrel with the OPEC+ meeting looming on Thursday.

Gold is higher by 0.6% to \$1,703.90 an ounce.

Please email questions, comments or concerns to:

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