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Morning Need to Know

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CANADIAN ANALYSTS' CALLS

Lightspeed (TSX:LSPD). National Bank raises the target to \$40 (Canadian) from \$30 and maintains an "outperform" rating after the point-of-sale software company saw revenue jump in its latest quarter from last year and took an EBITDA loss of \$6.2 million.

BRP (TSX:DOO). Desjardins Securities moves the target to \$48 from \$37 and maintains "buy".

New Gold (TSX:NGD). National Bank upgrades to to "outperform" with a \$2.10 target, up from \$1.30.

Greenbrook TMS (TSX:GTMS). Desjardins lowers the target to \$3 from \$3.50 and maintains "buy" on this provider of transcranial magnetic stimulation.

This was a Digest cover story in late November of 2019 when the stock was trading at \$2.20 a share. It reached about \$2.75 but closed yesterday at \$1.63.



U.S. ANALYSTS' CALLS

Aurora Cannabis (TSX;ACB;NYSE:ACB). Jefferies is warning investors to not get sucked in by the recent rally in the shares of this cannabis producer, cutting the stock to “underperform”, raising the target to \$14 (U.S.) from \$12, while making these comments:

“We think near-term sales and gross margin headwinds are not fully appreciated, while celebrating a hiatus on further dilution is short-sighted, it is inevitably returning again when the balance sheet is addressed. The stock is set-up well longer-term but we see give back in the price over the next few quarters as likely.”

Jefferies also commented on Aurora’s \$40 million acquisition of U.S. hemp-based CBD company Reliva.

“Aurora’s ex-COO once described U.S. entry as non-negotiable. We agree, though we do view this particular deal/timing as strange. There is still no permanent CEO to lead this CBD push, the CBD space is experiencing significant headwinds currently, there is further dilution at a questionable multiple which has been a criticism of the past, and the balance sheet does not afford investment behind the purchase.”

ACB U.S. shares peaked in January of 2018 at about \$128 a share, bottomed around \$8 and closed Thursday at \$17.40.

Nvidia (NASDAQ:NVDA). Cowen & Co. ups the target to \$410 from \$325. See more below.

Splunk (NASDAQ:SPLK). JP Morgan moves the target to \$190 from \$174, saying the company

continues to enjoy a strong position as a leader in machine data analytics. Mizuho hikes its target to \$195 from \$170.



STOCKS THAT MAY MOVE

AstraZeneca PLC (NYSE:AZN). Oxford University and the company plan to recruit around 10,000 adults and children in Britain for trials of an experimental coronavirus vaccine to see how well the human immune system responds to it and how safe it is. The vaccine program has received up to \$1.2 billion (U.S.) in backing from the U.S.

Lululemon (NASDAQ:LULU) has reopened more than 150 stores across North America, Europe, Asia, New Zealand and Australia and said it expects about 200 more stores to reopen over the next two weeks.

Recipe Unlimited (TSX:RECP) announced a \$35 million rent subsidy program to help its franchise network with direct rent support through the end of 2020.

Deere & Co (NYSE:DE) beat estimates for profit as demand for farm equipment fell 18%, less than feared, and sales of construction and forestry equipment was down 25%, while the company kept costs in check.

Alibaba (NYSE:BABA) beat estimates with its quarterly revenue as the COVID-19 lockdowns drove

more people to shop online for essentials.

Nvidia (NASDAQ:NVDA) had quarterly revenue of more than \$1 billion for the first time and forecast Q2 revenue above analysts' estimates, as demand surges for its chips used in data centres that power the shift to working remotely during coronavirus outbreak.

KKR (NYSE:KKR) will invest \$1.5 billion in Reliance Industries' Jio Platforms, its biggest investment in Asia to date, bringing the amount of new funds raised by the Indian digital company this month to \$10 billion.

Amazon.com (NASDAQ:AMZN). The company's India unit will hire 50,000 temporary workers to meet a surge in online shopping in the country.

MARKETS

S&P/TSX and U.S. equity futures are mixed after China cut its growth forecast.

Hong Kong's Hang Seng dropped more than 5% after China said it is set to impose new national security legislation on Hong Kong.

In economic data, Canada's retail sales in March fell 10% from February as the stay-at-home orders took hold, while food and beverage retailers saw sales spike by 23% during the month.

CURRENCIES

The Canadian dollar is flat at 0.7186 (U.S.).

COMMODITIES

West Texas Intermediate crude oil is down 3.8% to \$32.64 a barrel after six sessions higher.

Gold is up by 0.8% to \$1,736 an ounce.

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