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**Morning Need to Know**

**Getting you ready for your investing day**

**May 15, 2020**

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Capital Ideas Media**

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## **CANADIAN ANALYSTS' CALLS**

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### **INITIATIONS**

**Quisitive Technology Solutions (TSXV:QUIS).**  
Clarus Securities has started coverage with a "speculative buy" rating and a price target of \$1.25 (Canadian), giving the stock a **projected return of about 80%**.

Quisitive was named last year as Microsoft US Partner of the Year for IT Solutions.

We featured QUIS many months ago in the Digest. **The stock has nearly tripled year-to-date.**

**\*\***

**Wheaton Precious (TSX:WPM;NYSE:WPM).**  
RBC Dominion Securities downgrades to "sector perform" on valuation and raises the target to \$45 (U.S.) from \$41.

*Dwight Galusha* of [setyourstop.com](http://setyourstop.com) correctly called WPM a breakout stock in the February 18, 2020 Digest. It's higher by 48% since then.

**Quebecor (TSX:QBR.B).** Desjardins Securities raises

to "buy", lowers its 2020 and 2021 EPS estimates, and maintains a \$34.50 target.

**CCL Industries (TSX:CCL.B).** CIBC hikes the target to \$49 from \$44 after the company's earnings results.

**Aurora Cannabis (TSX;ACB;NYSE:ACB).**

Desjardins upgrades to "buy" and sets a price target of \$19. ACB completed a one for 12 reverse stock split on Monday. See below for details on ACB's earnings results.

**Restaurant Brands International**

**(TSX:QSR;NYSE:QSR).** Stifel upgrades to "buy" with a target of \$62 (U.S.), up from \$53.

**Osisko Gold Royalties (TSX:OR).** RBC upgrades to "outperform" with a \$15 (Canadian) target, up from \$13.50.

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

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### **INITIATIONS**

**Netflix (NASDAQ:NFLX).** Jefferies starts coverage with a "buy" rating and a price target of \$520 (U.S.). The stock closed Thursday at \$441.95.

According to Barron's, Jefferies laid out three reasons to buy the stock:

**One,** "the addressable market is vastly

underappreciated,” with room for continued double-digit subscriber growth.

**Two**, improving margins, with a “path to sustained positive free cash flow.”

And **three**, the company has proven it can create value even in a changing landscape.

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## **STOCKS THAT MAY MOVE**

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**Well Health Technologies (TSX:WELL)** had Q1 revenue of \$10.2 million (Canadian), up from \$7.4 million a year ago, ahead of estimates, while it took a net loss of \$2 million or 32 cents per share versus a loss of \$1.5 million a year earlier.

WELL shares had doubled since mid-April leading into the earnings.

**Aurora Cannabis (TSX:ACB;NYSE:ACB)** shares are up in premarket trading after the company said fiscal Q3 revenue rose 18% from the previous quarter to more than \$78 million, while its adjusted EBITDA loss, which excludes termination costs, was nearly \$46 million, and cash sits at \$230 million as the company burned 43% less cash than the previous quarter.

**Green Thumb Industries (CSE:GTII)** became the first U.S. cannabis company to record more than \$100 million (U.S.) in quarterly revenue as revenue rose 35% from the previous quarter,

while the company took a net loss of \$4.2 million, with adjusted EBITDA up 85% from the prior quarter. GTII has cash of \$75 million and debt of nearly \$93 million.

**H&R REIT (TSX:HR.UN)** cut its monthly distribution by 50% and took a quarterly loss of \$1 billion (Canadian) as it wrote down the value of some of its properties.

**Onex (TSX:ONEX)** took a quarterly loss of \$1.1 billion as the pandemic impacted the company's underlying businesses.

**Taiwan Semi (NYSE:TSM)** plans to build a \$12 billion manufacturing factory in Arizona.

**Qualcomm (NASDAQ:QCOM)** and other chipmakers are lower pre-market after the U.S. Commerce Department moved to block some shipments of chips to China's Huawei.

**Novartis (NYSE:NVS)**. The CEO said any vaccine for the coronavirus won't be ready for at least two years once clinical trials are completed.

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## **MARKETS**

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**S&P/TSX and U.S. equity futures** are lower as **U.S. retail sales last month fell a record 16.4%** and **U.S. manufacturing was down a record 13.7%**, while tensions between the U.S. and China ramp up.

China's industrial production in April rose 3.9%, the first gain this year.

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## **CURRENCIES**

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The Canadian dollar is down 0.2% to 0.7099 (U.S.).

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## COMMODITIES

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West Texas Intermediate crude oil is seeing some support, up 3% to \$28.72 per barrel as China's National Bureau of Statistics showed the country processed the equivalent of about 13.1 million barrels per day, up 11% from March and nearly 1% above the level for April 2019.

Gold is up by 0.6% to \$1,751.90 an ounce.

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Stock picker *Peter Hodson*, founder of 5i Research, explains in the latest [Capital Ideas Digest](#) why his **Top Idea of 2020** is up year-to-date by more than 60%.

We also examine a **real estate play higher by 250%** in the last year with room to run.

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Please email questions, comments or concerns to:

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