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Morning Need to Know

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CANADIAN ANALYSTS' CALLS

Shawcor Ltd. (TSX:SCL). Industrial Alliance Securities analyst Elias Foscolos raised his target price on the stock to \$4 from \$1.75 per share, while maintaining a "hold" rating, citing an improve valuation due to the recent rise in oil prices.

"We believe Q2/20 will be weak for SCL's Automotive & Industrial (A&I) business line due to manufacturer shutdowns, but that segment's revenue will rebound quicker than SCL's oil & gas-related businesses, albeit at lower levels. SCL's composite tank business should continue to generate relatively stable, low-beta revenue in North America," he wrote.

Endeavour Mining Corporation (TSX:EDV). Canaccord Genuity analyst Carey MacRury initiated coverage of the gold miner with a "buy" rating and a \$38.50 per share target price.

“We note that these four mines are among the highest-grade mines in West Africa with an average open-pit grade of 2 grams per ton, almost double that seen in open-pits commonly seen in developed countries like Canada and Australia. We forecast these four mines producing just over 800,000 ounces in 2020 at an average AISC [all-in sustaining cost] of \$840 per ounce,” he said.



U.S. ANALYSTS' CALLS

lululemon athletica inc. (NASDAQ: LULU). RBC Dominion Securities analyst Kate Fitzsimons increased her target price to US\$360 from US\$225 while keeping an "outperform" rating on the stock.

“While the shares have run recently, we maintain our view that LULU is poised for LT tailwinds on the other side of COVID-19, given its sweet spot of innovation, loyalty, and casual/athletic focused assortments. We also expect that comments on a better than expected productivity rebound, digital momentum, and managed inventories and markdowns can actually be positively received with the 1Q print. We would view a pullback as a buying opportunity,” she wrote.

Zynga Inc. (NASDAQ:ZNGA). Barclays upgraded the stock to "Overweight" with a \$12 per share target price.



STOCKS THAT MAY MOVE

Chesapeake Energy (NYSE:CHK) shares are plunging more than 40% in pre-market trading Tuesday after *Bloomberg* reported that the oil and gas giant is preparing to file for Chapter 11 bankruptcy.

Baylin Technologies Inc. (TSX:BYL) said its Alga Microwave Inc. subsidiary has received purchase orders totaling more than \$1.3 million for its C-Band and Ku-Band BUC transmitters.

Artemis Gold Inc. (TSXV:ARTG) announced that it has agreed to acquire the Blackwater Gold Project in British Columbia from New Gold Inc., in consideration for \$210 million in cash plus \$20 million in Artemis stock.

MARKETS

S&P/TSX and U.S. equity futures are pointing to a lower open on Tuesday as investors await Wednesday's policy announcement from the

U.S. Federal Reserve.

CURRENCIES

The Canadian dollar is down 0.41 at 0.7432 (U.S.).

COMMODITIES

West Texas Intermediate crude oil is down 1% at \$37.81 on a stronger U.S. dollar as well as oversupply concerns.

Gold gained 1% to \$1,721.70 an ounce.

Please email questions, comments or concerns to:

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