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Morning Need to Know

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CANADIAN ANALYSTS' CALLS

Canadian National Railway Company (TSX:CNR). Scotiabank analyst Konark Gupta upped his target price on the railroad company to C\$137 per share from \$135, while maintaining a “Sector Outperform” rating.

“We like the quarter for a number of reasons, including new records for certain productivity metrics and commodities, an EPS beat, and, most importantly, doubling of YTD free cash flow (FCF) vs. last year,” the analyst wrote.

Emera Inc. (TSX:EMA). Credit Suisse analyst Andrew Kuske downgraded the utilities stock to “Neutral” from “Outperform,” while cutting his target price to C\$60 per share from \$64.

“In the near-term, some potential COVID-19 impacts are likely to be mitigated by favourable Q2 weather in the Tampa Bay area that looked to be roughly 2.5% warmer than average. Yet, COVID-19 rates in Florida are more of a concern versus some other jurisdictions of exposure in EMA’s own utility holdings – let alone the exposure of other companies. Given some model revisions and a re-assessment of positioning, we downgrade Emera,” he said.



U.S. ANALYSTS' CALLS

Microsoft Corporation (NASDAQ:MSFT). Jefferies analyst Brent Thill maintained a "Buy" rating and raised his target price to \$240 per share from \$200, saying Microsoft “is one of the best pillars in software.”

The analyst believes Microsoft will deliver strong fourth-quarter results and Azure will “continue to perform strongly,” adding that video games and Microsoft Office are two other potential areas of strength for the Company.

The Coca-Cola Company (NYSE:KO). Morgan Stanley upgraded the stock to “Overweight” with a target price of US\$54 per share.



STOCKS THAT MAY MOVE

Rogers Communications Inc. (TSX:RCI.B) reported second-quarter financial results that missed analyst expectations for revenue and earnings per share, as the Company battled COVID-19 related challenges.

Canadian Pacific Railway Limited (TSX:CP) released better-than-expected Q2 financial results, including a record low operating ratio of 57.0%.

Kootenay Silver Inc. (TSXV:KTN) announced assay results from three new drill holes at the Copalito silver-gold project in Mexico, which included 3.2 meters of 1,297 grams per tonne silver.

MARKETS

S&P/TSX and U.S. equity futures are pointing to a mixed open Wednesday as investors weigh the impact of new tensions between China and the United States.

CURRENCIES

The Canadian dollar is up 0.18 at 0.7448 (U.S.).

COMMODITIES

West Texas Intermediate crude oil slipped 1.6% at \$41.26 following a larger-than-expected crude inventory build in the United States.

Gold price gained \$11.20 to \$1,855.10 an ounce.

Please email questions, comments or concerns to:

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