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## Morning Need to Know

Getting you ready for your investing day

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### CANADIAN ANALYSTS' CALLS

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**Quebecor Inc. (TSX:QBR.B).** Canaccord Genuity analyst Aravinda Galappaththige raised his rating on the stock to “Buy” from “Hold,” while increasing his target price to \$35 per share from \$31, based on a “strengthening” wireless outlook following “strong” second-quarter results.

“We continue to believe that the wireless EBITDA trajectory going forward is critical to valuations as investors try to discern whether QBR is a 4-6-per-cent EBITDA growth story or more of a 2-4 per cent one. With cable growth unlikely to be outside the

negative 3-per-cent to positive 1-per-cent range with little respite in terms of both competitive and structural pressure on the business, there is considerable reliance on wireless to produce incremental growth. In that backdrop, we are particularly pleased by the impressive subscriber performance in wireless. The net adds number of 35k is well above the average of 25-30k for the incumbents. Importantly, Videotron took a staggering 36 per cent of gross adds in the province, reflecting continued strength over the past year or so, when their adds share was closer to 25 per cent. We note that, based on management commentary, it appears Fizz is performing extremely well with solid loading and margins now at 50 per cent,” he said.

**Kinaxis Inc. (TSX:KXS).** Canaccord Genuity analyst Robert Young upped his target price on KXS to \$250 per share from \$190, while maintaining a “Buy” rating, following a “strong” quarter and “conservative” guidance.

“Kinaxis reported a beat in Q2 with plenty of optimism on the earnings call, despite the largely unchanged guide. The company reported seeing a wider and more balanced funnel of prospects than

last quarter. In combination with a 12-18 month backlog, we believe Kinaxis' current market opportunity will support the 20-25-per-cent SaaS revenue growth trajectory that the company has historically exceeded. Kinaxis continues to hire aggressively to scale in front of what we view as a large multi-year opportunity, which the company is still in the early stages of. Kinaxis indicated COVID-related supply chain volatility is a catalyst for new customer interest at the same time that the company drives into the retail space, adding TAM and runway. We think there is still lots of room for growth, and we think that Kinaxis is less brittle, if market momentum stalls, than many software options given its strong FCF," the analyst wrote.



## U.S. ANALYSTS' CALLS

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**CF Industries Holdings, Inc. (NYSE:CF).** Citi analyst P.J. Juvekar raised his rating on the fertilizer manufacturer to "Buy" from "Hold," while bumping up his target price to US\$38 per share from US\$29.

"Our upgrade is underpinned by record urea demand

in Brazil and India, and a very mature U.S. crop which should support the fall ammonia season,” he said.

“The supply picture is also balanced, with minimal new capacity expected over the next few years. Further, we see blue/green ammonia as a longer-term opportunity for CF, but this is not the reason behind our upgrade today.”

**Universal Display Corp. (NASDAQ:OLED).** Needham upgraded the stock to "Buy" with a target price of \$225 per share.



## STOCKS THAT MAY MOVE

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**Open Text Corporation (TSX:OTEX)** reported better-than-expected Q4 financial results, in which its Non-GAAP diluted EPS increased 11.1% to \$0.80.

**Nubian Resources Ltd. (TSXV:NBR)** said Eric Sprott will invest \$4.2 million into the Company via a non-brokered private placement at a price of \$0.42 per

unit.

**CubicFarm Systems Corp. (TSXV:CUB)** revealed that Ospraie Ag Science, LLC has acquired 7.5 million common shares of CubicFarm at a price of C\$0.70 per share, raising its ownership stake in the Company to approximately 25.4%.

## MARKETS

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**S&P/TSX and U.S. equity futures** are pointing to a lower open on Friday following increasing tensions between the U.S. and China, this despite a better-than-expected July employment report on both sides of the border.

## CURRENCIES

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**The Canadian dollar** is down 0.14 at 0.7501 (U.S.).

## COMMODITIES

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**West Texas Intermediate crude oil** slipped 0.3% to \$41.84.

**Gold** gained \$2.70 to \$2,072.10 an ounce.

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