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Morning Need to Know

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CANADIAN ANALYSTS' CALLS

Parkland Corporation (TSX:PKI). Industrial Alliance Securities analyst Elias Foscolos raised his rating on the stock to “Strong Buy” from “Buy,” seeing an “attractive” upside return, while trimming his target price to \$46 per share from \$48.

“We believe that the tailwind of a slower rebound in gasoline and jet demand coupled with large distillate inventories may be disproportionately weighing on investors’ minds. Our revised ... target price is due to share weakness in U.S. refining stocks resulting in a lower EBITDA multiple for Parkland. However,

Parkland is much more than just a refiner as it has a large convenience store footprint. As highlighted by Alimentation Couche-Tard's results last week, convenience stores have value in a post-COVID-19 world. As a result of the share price weakness, we have elected to increase our rating ... despite the minor reduction in target price," he said.

Uranium Royalty Corp. (TSXV:URC). Canaccord Genuity analyst Katie Lachapelle initiated coverage of the company with a "Speculative Buy" rating, while setting a target price of \$1.60 per share.

"We estimate that six of eleven existing royalties in URC's portfolio will produce cash flows with a near-term recovery in uranium prices. These projects together represent 51 per cent of our asset level NAV. We also note that the majority of URC's royalties are on projects located in safe jurisdictions (98 per cent in North America). We view this as advantageous, as we expect utilities to re-enter the market looking to negotiate with companies that not only offer responsiveness but also security geographically," the analyst wrote.



U.S. ANALYSTS' CALLS

The Walt Disney Company (NYSE:DIS). Deutsche Bank analyst Bryan Kraft upgraded his rating on the stock to “Buy” from “Hold,” while raising his target price to US\$164 per share from US\$128, believing the Company is succeeding in the “land grab phase” of the shift to direct-to-consumer offerings.

Mr. Kraft sees Disney in a strong position to become a leader in the streaming industry and expects it to drive “significant opportunities to monetize a large subscriber base in a more meaningful way.”

Broadcom Inc. (NASDAQ:AVGO). Bank of America Securities analyst Vivek Arya reiterated his "Buy" rating on Broadcom shares, while upping the price target from \$400 to \$450, saying the Company's free cash flow margin of 53% is an industry best.

“The fourth quarter should mark an inflection in core semi sales, and wireless and core semis all are expected to grow again in the first quarter,” Mr. Arya said.

The analyst added that he likes Broadcom's multi-pronged growth, leading margins and dividend growth.



STOCKS THAT MAY MOVE

Aurora Cannabis Inc. (TSX:ACB) said it would record up to \$1.8 billion in impairment charges in the fourth quarter while expecting Q4 net revenue to be between \$70 million and \$72 million.

Ballard Power Systems (TSX:BLDP) reported that it has launched the fuel cell industry's first module designed for primary propulsion power in marine vessels.

Great Canadian Gaming Corporation (TSX:GC) announced that it will reopen its casinos on September 28 in Ontario and New Brunswick that have been closed since March 16.

MARKETS

S&P/TSX and U.S. equity futures are pointing to a lower open on Tuesday as the tech sector selloff is expected to continue.

CURRENCIES

The Canadian dollar is down 0.39 at 0.7596 (U.S.).

COMMODITIES

West Texas Intermediate crude oil slid 5.7% at \$37.52 on demand concerns related to rising COVID-19 infections globally.

Gold slipped 0.6% to \$1,922.80 an ounce.

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