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Morning Need to Know

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Publisher, Capital Ideas Media



CANADIAN ANALYSTS' CALLS

Toromont Industries Ltd. (TSX:TIH). Canaccord Genuity analyst Yuri Lynk reiterated his "Buy" rating on the stock, bumping up his target price on Toromont to \$82 per share from \$77.

“Toromont appears well positioned to recover from Q2/2020 lows,” he said.

“The company’s territory of Manitoba to Atlantic Canada is seeing the bulk of the megaproject activity on the construction side while gold producers represent 50 per cent of its mining business. We

believe mine production is recovering nicely and continue to track a large equipment package we believe Toromont could be awarded at IAMGOLD's \$1.3-billion Cote gold mine. Additionally, we continue to see the opportunity for further upside from Toromont QM as efficiencies are realized on the rental fleet and on the migration to a common ERP system.”

Noram Ventures Inc. (TSXV:NRM). Fundamental Research analyst Sid Rajeev initiated coverage of the lithium junior with a "Buy" rating and a \$0.40 per share fair value, following Tesla's plan to build a cathode plant in North America and its acquisition of a 10,000-acre lithium clay deposit in Nevada.

“As the shares of most lithium players operating in Nevada declined sharply [Wednesday], we suspect that the deposit targeted by Tesla is not of any publicly traded companies. Despite the sell-off, we believe Tesla's affinity to clay deposits in Nevada is very positive for all advanced stage deposits, including Noram, CYP and LI, as they are now prime targets of Tesla and other EV/battery manufacturers,” the analyst wrote.



U.S. ANALYSTS' CALLS

Goldman Sachs (NYSE:GS). UBS upgraded the stock to "Buy" from "Neutral," while raising its price target to \$245 per share from \$220.

“Goldman is generating solid results in the current environment, which has sustained in the third quarter and potential volatility from the upcoming U.S. election could allow for a solid fourth quarter, bridging investors to first-quarter seasonal strength. Further, in 2021 we expect the efficiency efforts from GS's strategic plans to begin to impact the P&L, driving down the efficiency ratio, leading to upside to earnings forecasts,” said the analysts led by Brennan Hawken.

Nikola Corporation (NASDAQ:NKLA). Wedbush analyst Dan Ives cut his rating on the stock to "Under Perform" from "Neutral," and slashed his price target to \$15 per share.

“The recent questions surrounding the Nikola story raised by the bears will be a dark cloud over the stock until answered, especially with no fundamental or

delivery catalysts in the near term,” the analyst wrote.

“[N]ikola has made no revenue over the last 4 years, burns cash at a rapid rate, and has some stout competition already off and running in the electric trucking space (Tesla, Daimler).”



STOCKS THAT MAY MOVE

BlackBerry Ltd. (TSX:BB) reported better-than-expected Q2 financial results, with revenue of \$259 million. Its net loss, meanwhile, narrowed to \$0.04 per share from \$0.10 a year ago.

Mediagrif Interactive Technologies Inc. (TSX:MDF) said it is changing its identity to mdf commerce inc, effective immediately, in order to accelerate growth in the Unified Commerce and Strategic Sourcing sectors.

Neptune Wellness Solutions Inc. (TSX:NEPT) announced that it has secured a supply agreement

with the British Columbia Liquor Distribution Branch for the sale and distribution of Neptune's Mood Ring product line.

MARKETS

S&P/TSX and U.S. equity futures are pointing to a lower open on Thursday following higher-than-expected U.S. weekly jobless claims.

CURRENCIES

The Canadian dollar is down 0.15 at 0.7456 (U.S.).

COMMODITIES

West Texas Intermediate crude oil fell 0.8% at \$39.63 on COVID-19 related demand concerns.

Gold slipped 0.6% to \$1,856.70 an ounce.

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CANADIAN ANALYSTS' CALLS

H₂O Innovation Inc. (TSXV:HEO). Desjardins Securities analyst Frederic Tremblay initiated coverage on the stock with a “Buy” rating and a \$2 per share target price, as he sees “massive” spending on water and wastewater treatment systems due to challenges to clean water availability, the regulatory environment and the “poor shape” of infrastructure.

“We believe HEO’s expertise in membrane-based products and services positions the company to capture growth opportunities,” he said.

“The U.S. (where HEO generates 70 per cent of revenue) has 65,000 water and wastewater systems, most of which are small local entities with aging

workforces and are seeking know-how and customized solutions that an experienced partner like HEO can offer. The company can also tap into opportunities, including desalination, outside of the U.S., thanks in part to its global network of distributors for specialty products.”

Canadian Apartment Properties Real Estate Investment Trust (TSX:CAR.UN). Raymond James analyst Brad Sturges resumed coverage on the REIT with an “Outperform” rating and \$55.50 per share target price.

“Although the Ontario Government’s expected plan to freeze rents for existing tenants in 2021, we believe that CAPREIT is positioned to capture higher AMRs [average monthly rents] realized upon suite turnover, and to execute on Canadian multifamily sector consolidation prospects due to its financial position,” the analyst wrote.

“CAPREIT’s affordable rental portfolio segment may experience resilient leasing demand fundamentals during the pandemic, supporting its future organic growth profile.”



U.S. ANALYSTS' CALLS

Amazon.com Inc. (NASDAQ:AMZN). Bernstein analyst Mark Shmulik upgraded the stock to “Outperform” from “Market Perform” with a US\$3,400 per share target price.

“Amazon is positioned to increase their dominant share position when the return to physical stores occurs. Amazon has also quietly made substantial inroads into grocery and ‘shopping’ verticals,” Mr. Shmulik said.

“Amid COVID, Amazon has executed incredibly well, pivoting its operations and inventory to in-demand verticals – with flexibility and speed we didn’t expect.”

He added that he believes the Company can make further gains in other “revenue pools” like advertising and cloud services.

Teladoc Health Inc. (NYSE:TDOC). DA Davidson initiated coverage on shares of the virtual healthcare

provider with a "Buy" rating and a \$250 per share price target.



STOCKS THAT MAY MOVE

Dye & Durham Limited (TSX:DND) reported that its Fiscal 2020 revenue rose 49% to \$65.5 million, while its Adjusted EBITDA for the year increased 39% to \$36.7 million.

Great Bear Resources Ltd. (TSXV:GBR) provided an update on metallurgical testing underway at its 100% owned Dixie Project in the Red Lake district of Ontario. CEO Chris Taylor commented that “in more than 99% of observed instances, gold occurs freely or on the edges of sulphide grains, suggesting potential for very high metallurgical recoveries, as has been observed at other free gold hosting deposits in the Red Lake district.”

Neptune Wellness Solutions, Inc. (TSX:NEPT) announced that it has agreed to an import and

stocking distribution partnership with a global consumer goods company for professional beauty, personal care and hygiene product lines, which the two companies project will generate revenue of between US\$65 million and US\$137 million over the next 18 months.

MARKETS

S&P/TSX and U.S. equity futures are pointing to a mixed open Tuesday as investors look ready to start buying some beaten-down tech stocks south of the border.

CURRENCIES

The Canadian dollar is down 0.01 at 0.7514 (U.S.).

COMMODITIES

West Texas Intermediate crude oil rose 0.7% at \$39.60 as the latest storm in the Gulf of Mexico lost strength.

Gold gained 0.3% to \$1,916.40 an ounce.

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