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Morning Need to Know

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CANADIAN ANALYSTS' CALLS

Descartes Systems Group Inc. (TSX:DSG). Canaccord Genuity analyst Robert Young increased his target price to US\$65 per share from US\$50, while keeping a “Buy” rating on the stock, noting that Descartes has displayed “steady execution through turbulence” and feels it is well-positioned to “augment organic growth with M&A.”

“We believe that Descartes will be active on M&A in the next 12 months as valuations settle through the volatility,” he said.

“We expect historically strong execution on M&A and potential for higher-quality assets to become available in tough times could fill any gaps left in the wake of weaker organic growth. In the near term, valuations have become inflated, particularly in attractive end markets like ecommerce and software. Moreover, the number of companies for sale has increased significantly.”

Artemis Gold Inc. (TSXV:ARTG). Canaccord Genuity analyst Kevin MacKenzie initiated coverage of the gold junior with a “Speculative Buy” rating and a target price of \$13 per share, calling Artemis “a developer that checks all of the boxes.”

“We would expect that Blackwater would be squarely on the radar of many of the industry’s mid-tier to senior producers in terms of development-stage M&A,” the analyst wrote.

“That said, we fully expect that Artemis will look to further unlock the value of Blackwater by advancing the project through construction and into production. As such, and as was the case with Atlantic Gold, we do not expect that Artemis will be acquired pre-production. Notwithstanding a

significant bid premium to our target, we believe that this outlook is underscored by management and the board's 42-per-cent interest in the company."



U.S. ANALYSTS' CALLS

FedEx Corp. (NYSE:FDX). Citi analyst Christian Wetherbee raised his target price to US\$260 per share from US\$235, while maintaining a "Buy" rating, believing a jump in ground volume is likely to support a first-quarter 2021 earnings beat.

"We believe the sharp decline in EPS estimates that has transpired over time, coupled with stabilizing/improving global trade trends, the surge in ecommerce volume and potentially better parcel pricing suggest that estimates have finally bottomed," Mr. Wetherbee said.

"We believe that a directional change in earnings from a trend of misses and guide downs to meets and then to beats and raises is a powerful catalyst for the stock even if the magnitude of increases was smaller than the decline. We think we are at/near the

inflection point to positivity and see a reasonable path toward 60-per-cent gains in earnings power from F20 to F23.”

DermTech, Inc. (NASDAQ:DMTK). Cowen & Co. initiated coverage of shares of the non-invasive skin genomics platform with an "Outperform" rating and a \$20 per share target price, suggesting nearly 100% upside from the current market price.



STOCKS THAT MAY MOVE

Empire Company Limited (TSX:EMP.A) reported better-than-expected Q1 net earnings that increased 47% to \$0.71 per share, while revenue rose to \$7.4 billion from \$6.7 billion and same-store sales surged 11%.

Evertz Technologies Limited (TSX:ET) announced first-quarter revenue that fell to \$56.3 million from \$103.4 million during the same period last year, missing analyst expectations of \$75.9 million.

ImmunoPrecise Antibodies Ltd. (TSXV:IPA) said it has applied to dual list its stock on the NASDAQ Capital Market.

MARKETS

S&P/TSX and U.S. equity futures are pointing to a mixed open on Thursday as U.S. weekly jobless claims came in higher than economists expected.

CURRENCIES

The Canadian dollar is up 0.02 at 0.7609 (U.S.).

COMMODITIES

West Texas Intermediate crude oil fell 1.5% at \$37.50 after the American Petroleum Institute said U.S. crude inventories rose by 3 million barrels for the week ended September 4. A decline had been expected.

Gold gained 0.5% to \$1,964.60 an ounce.

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