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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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**Empire Company Limited (TSX:EMP.A).** Desjardins Securities analyst Chris Li increased his target price on the grocery retailer to \$39 per share from \$38, while maintaining a “Buy” rating on the stock, saying the Company's “strong” first-quarter 2021 financial results “largely reflect consumers' preference for the full-service format amid the pandemic” and exhibit “strong” execution of its cost reduction and margin enhancement initiatives.

“Current market conditions benefit EMP as consumers continue to prefer one-stop shop,” he

said.

“On the positive side, food sales are expected to remain elevated (albeit moderating). On the flip side, the gap between the full-service and discount format is narrowing, and competition is starting to increase and could intensify in a recessionary environment.”

**MAG Silver Corp. (TSX:MAG).** National Bank analyst Don DeMarco raised his target price on shares of the silver miner to \$29 from \$28 with an "Outperform" rating.



## U.S. ANALYSTS' CALLS

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**Spotify Technology S.A. (NYSE:SPOT).** Credit Suisse analyst Brian Russo upgraded the stock to “Outperform” from “Neutral,” while boosting his target price to \$315 per share from \$215.

“Two factors have made us incrementally positive on SPOT shares: 1) we see potential upside to consensus MAU [monthly active user] and subscriber estimates through 2021 from exclusive podcasts, as well as a

recent partnership with mobile carrier MTS in Russia; and 2) we now see a greater likelihood that major labels will participate in Spotify's Marketplace and help expand gross margins, a change from our prior view," the analyst wrote.

"We raise our '21 sub forecast by 4 million, and are now above consensus for both MAUs and subscribers in 2020 and 2021. We see primary catalysts as 3Q earnings in October and 2021 guidance in January."

**Peloton Interactive, Inc. (NASDAQ:PTON).** J.P. Morgan analyst Doug Anmuth upped his target price on the interactive fitness platform to \$125 per share from \$105, while reiterating his "Overweight" rating, saying he's even "more confident" in Peloton's positioning for the coming years, as elevated near-term demand, a lower-priced Bike and its Bike+ product, as well as the accelerating shift to in-home fitness, "significantly increases [Peloton's] addressable market."



## STOCKS THAT MAY MOVE

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**First Majestic Silver Corp. (TSX:FR)** announced that Eric Sprott has agreed to invest C\$78 million into the Company at a price of C\$15.60 per share.

**Enghouse Systems Limited (TSX:ENGH)** reported that its third-quarter revenue rose 29.7% to \$131.3 million, while net income for the period surged 77.3% to \$26.0 million.

**Algonquin Power & Utilities Corp. (TSX:AQN)** said it has agreed to acquire a 53.51% interest in Chilean water utility company Empresa de Servicios Sanitarios de Los Lagos S.A.(ESSAL) for an estimated purchase price of \$92.3 million. Algonquin expects the transaction will be immediately accretive to Adjusted Net Earnings Per Share and Adjusted Funds from Operations.

## MARKETS

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**S&P/TSX and U.S. equity futures** are pointing to a higher open on Friday following Thursday's volatile

trading session.

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## CURRENCIES

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The Canadian dollar is up 0.02 at 0.7582 (U.S.).

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## COMMODITIES

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West Texas Intermediate crude oil fell 0.8% at \$37.01 after *Reuters* reported that traders were starting to book tankers again to store crude and diesel.

Gold slipped 0.6% to \$1,951.80 an ounce.

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Please email questions, comments or concerns to:

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