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Morning Need to Know

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Written & curated by the Capital Ideas Media team



CANADIAN ANALYSTS' CALLS

Premium Brands Holdings Corporation (TSX:PBH). Desjardins Securities analyst David Newman raised his target price for shares of the specialty food manufacturing and distribution company to \$118 per share from \$108, while keeping a “Buy” rating on the stock, expecting Premium to deliver “strong” third-quarter results.

“Our Buy rating on PBH is premised on its ongoing resilience, as showcased during the pandemic, the recharged momentum of its recently-launched programs, a cornucopia of growth opportunities across various channels, the benefit from recent and

potential acquisitions, and a more benign commodity environment,” he said.

FirstService Corporation (TSX:FSV). Scotia analyst George Doumet increased his target price on shares of the property services company to US\$125 from US\$108.



U.S. ANALYSTS' CALLS

Tesla Inc. (NASDAQ:TSLA). Baird analyst Ben Kallo raised his target price on the stock to US\$488 per share from US\$450, while upgrading his rating to “Outperform” from “Neutral,” calling it a ‘must own’ stock for investors looking for exposure to ESG, sustainability and disruptive technology trends.

“Tesla’s competitive moat over peers is substantial (and growing, enabled by rapid capital deployment) and we think it is unlikely traditional OEMs [original equipment manufacturers] will be able to effectively compete over time,” Mr. Kallo said.

Pinterest Inc. (NYSE:PINS). Goldman Sachs boosted

its price target on the stock to \$61 per share from \$37.



STOCKS THAT MAY MOVE

Rogers Communications Inc. (TSX:RCI.B) reported better-than-expected Q3 financial results, even as its net income fell 14% from a year ago.

Enghouse Systems Limited (TSX:ENGH) said it has signed a C\$55 million, 12-year contract with the Norwegian government to deliver technical solutions for the nation's Emergency Medical Communication Centers.

Sun Life Financial Inc. (TSX:SLF) announced that it will acquire a 51% stake in Crescent Capital Group LP, an alternative credit investment manager, for up to US\$338 million.

MARKETS

S&P/TSX and U.S. equity futures are pointing to a lower open Thursday as investors remain nervous

about the progress of U.S. stimulus talks, even as U.S. weekly jobless claims came in better than expected.

CURRENCIES

The Canadian dollar is down 0.06 at 0.7601 (U.S.).

COMMODITIES

West Texas Intermediate crude oil rose 0.4% at \$40.17.

Gold slipped 1.1% to \$1,907.50 an ounce.

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September 22, 2020

Written & curated by Sean Mason, Associate
Publisher, Capital Ideas Media



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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