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Morning Need to Know

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Written & curated by the Capital Ideas Media team



CANADIAN ANALYSTS' CALLS

Cogeco Communications Inc. (TSX:CCA). CIBC World Markets analyst Robert Bek upgraded the stock to “Outperformer” from “Neutral,” while increasing his target price to \$120 per share from \$111, as he sees its value as being “attractive.”

“We have raised our valuation on the U.S. assets, reflecting greater confidence in the worth of that unit,” he said.

“While our view of the Canadian assets has declined somewhat, given greater competitive risks, the net result is a positive to our overall value targets for CCA

shares. We continue to see stability in the Canadian cable base and growth in the U.S. footprint. FCF continues to exhibit the defensive characteristics of the space, through operational and capital cost flexibility. We consider current valuation levels now too attractive to ignore, and see it as a great entry point for investors.”

Leucrotta Exploration Inc. (TSXV:LXE). Industrial Alliance Securities analyst Michael Charlton raised his target price on the oil & gas junior to \$0.85 per share from \$0.70.

“While the company does look to have survived this downturn, it is becoming clearer to us that the company will need to be creative if it is going to find a way to accelerate developments and get bigger,” the analyst wrote.

“Ultimately, in our view, for the company to generate meaningful returns for its shareholders, it will need to be pumping more barrels and generating higher cash flows.”



U.S. ANALYSTS' CALLS

Snap Inc. (NYSE:SNAP). Loop Capital analyst Rob Sanderson boosted his price target on Snap to \$49 per share from \$27, believing its revenue could grow to \$19 billion by 2027 from the \$2.5 billion in 2020.

“At a 25x forward [price-to-earnings multiple], this illustration would suggest that a +\$200 billion market cap may be achievable for Snap in the 2026 time frame,” Mr. Sanderson said.

United Rentals Inc. (NYSE:URI). BofA Securities analyst Ross Gilardi upgraded the stock to “Buy” from “Neutral,” while lifting his price target to \$275 per share from \$209, on a more positive view of the rental market in 2021.

“We might finally have a COVID-19 vaccine at the same time that the used equipment market is already firming, industrial production is rebounding, and rental time utilization is recovering. For the time being, there are enough pockets of strength in the various rental end markets and enough capital discipline for rental rates to firm in the Spring with momentum building into 2022 as an eventual vaccine receives widespread distribution,”

he wrote.



STOCKS THAT MAY MOVE

Boralex Inc. (TSX:BLX) announced that it has agreed to acquire controlling interests in seven solar plants located in the United States for a purchase price of C\$283 million.

Victory Metals Inc. (TSXV:VMX) said it will acquire privately-held Nevada King Mining Ltd, which owns the Atlanta Mine in Nevada.

MARKETS

S&P/TSX and U.S. equity futures are pointing to a higher open Monday following positive vaccine news from AstraZeneca.

CURRENCIES

The Canadian dollar is up 0.25 at 0.7662 (U.S.).

COMMODITIES

West Texas Intermediate crude oil rose 1.0% at \$42.83.

Gold slipped 0.4% to \$1,865.70 an ounce.

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