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Morning Need to Know

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Written & curated by the Capital Ideas Media team



CANADIAN ANALYSTS' CALLS

Neo Performance Materials Inc.

(TSX:NEO). Canaccord Genuity analyst Yuri Lynk raised his target price on shares of the chemical manufacturing company to \$14 from \$11, saying the stock “still screams value.”

“Results came in ahead of our expectations supported by recovering customer demand across the supply chain, especially in the automotive segment, and various cost-cutting initiatives,” he said.

“We believe Neo enjoys a wide competitive moat and

exposure to global mega-trends such as the electrification of automobiles, tighter air, GHG, and wastewater emission standards, and industrial automation. In our view, financial results put in a bottom in Q2/2020, and we expect growing EBITDA through 2022. With \$75-million of net cash, a heavily discounted valuation multiple, and a 3.4-per-cent dividend yield, Neo should appeal to classic value investors.”

Thor Explorations Ltd. (TSXV:THX). Paradigm Capital analyst Don Blyth initiated coverage on the gold junior with a “Speculative Buy” rating and a \$0.60 per share target price, believing the stock is “undervalued owing to market unfamiliarity and risk-aversion” to Nigeria, which is not known for gold mining.

“This should change when the [Segilola] mine is up and running and producing healthy cash flows,” the analyst wrote, adding that its Douta project in Senegal “overshadowed” and a “hidden gem.”



U.S. ANALYSTS' CALLS

Palo Alto Networks (NYSE: PANW). BofA Securities analyst Tal Liani upgraded the cybersecurity stock to “Buy” from “Neutral,” while increasing his price target to \$330 per share from \$270.

“In our view, strong guidance and enhanced disclosures around Firewall-as-a-Platform and Next-Gen Security revenues point to positive momentum with new growth areas and increased visibility in the transition to Next-Gen products and newer consumption models,” Mr. Liani said.

DraftKings Inc. (NASDAQ:DKNG). Loop Capital analyst Daniel Adam initiated coverage on the online sports betting stock with a “Buy” rating and \$100 per share price target.

“Bottom line: We believe DKNG will emerge the clear share leader in online gaming given its powerful brand, early mover advantage and digital-first DNA,” he wrote.



STOCKS THAT MAY MOVE

METRO Inc. (TSX:MRU) announced that its Q4 net earnings rose 11% to \$186.5 million on \$4.2 billion in revenue, up 7.4% year over year.

Curaleaf Holdings, Inc. (CSE:CURA) reported record Q3 revenue of US\$182.4 million, a 195% year-over-year increase, while its Adjusted EBITDA for the period soared four fold to a record US\$42.3 million.

MARKETS

S&P/TSX and U.S. equity futures are pointing to a higher open Wednesday on more positive COVID-19 vaccine news.

CURRENCIES

The Canadian dollar is up 0.23 at 0.7654 (U.S.).

COMMODITIES

West Texas Intermediate crude oil rose 2.1% at \$42.30.

Gold slipped 0.8% to \$1,869.90 an ounce.

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