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## Morning Need to Know

Getting you ready for your investing day

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Written & curated by the Capital Ideas Media team

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### CANADIAN ANALYSTS' CALLS

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**GFL Environmental Inc. (TSX:GFL).** CIBC World Markets analyst Kevin Chiang raised his target price on the waste management stock to \$42 per share from \$32 with an “Outperformer” rating.

“While we recognize that GFL has a higher leverage ratio and lower margin profile than the other Big 3 waste names, it does benefit from a faster earnings growth trajectory (which is partially being driven by its improved pricing and margin expansion) and improving FCF conversion, which will be prioritized toward deleveraging. We continue to see GFL as a catalyst-rich story while also benefiting from

scarcity value given the lack of large cap Canadian industrial companies,” he said.

**Topaz Energy Corp. (TSX:TPZ).** Desjardins Securities analyst Justin Bouchard initiated coverage on the stock with a “Buy” recommendation and a \$20 per share price target.

“In practical terms, what TPZ offers prospective investors is the best of both worlds with respect to cash flow characteristics (and thereby implied market valuation). Indeed, the asset bases are complementary — the upstream royalties provide the opportunity for commodity price and volume upside with minimal cost exposure while simultaneously compensating for the inherently limited upside of the midstream business model. Meanwhile, the midstream business — comprised primarily of long-term take-or-pay cash flows backed by high-quality counterparties — provides a base of stable, ratable cash flow,” the analyst wrote.

“The key point is that the hybrid TPZ model provides a floor for earnings — thereby protecting the dividend in a downside commodity price environment — and leverage to commodity prices

(mostly natural gas pricing).”



## U.S. ANALYSTS' CALLS

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**Visa Inc. (NYSE:V).** Seaport Global analyst Chris Brendler initiated coverage on the payments giant with a “Buy” rating and \$250 price target, calling it out as among his “favorite payments stocks.”

Mr. Brendler believes both Visa and Mastercard are big beneficiaries of consumers avoiding cash, and sees “material earnings upside” for both once travel returns, but he prefers Visa on valuation and long-term structural advantages.

**Procter & Gamble Company (NYSE:PG).** Wells Fargo analyst Chris Carey initiated coverage on consumer products stock with an “Overweight” rating and \$160 price target, saying P&G “just reported arguably its best quarter in decades.”

The analyst wrote that he thinks that the flexibility in P&G's financial algorithm is underestimated and

that its momentum can deliver multi-year benefits.



## STOCKS THAT MAY MOVE

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**Enbridge Inc. (TSX:ENB)** announced that it will raise its quarterly dividend by 3% to \$0.835 per share.

**WELL Health Technologies Corp. (TSX:WELL)** reported that it has acquired Quebec-based ExcelleMD Inc. in a cash-and-stock transaction. ExcelleMD's current Annual Revenue Run-rate is approximately \$6 million with operating EBITDA margins that are greater than 20%.

## MARKETS

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**S&P/TSX and U.S. equity futures** are pointing to a lower open Tuesday as U.S. stimulus talks stall.

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## CURRENCIES

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**The Canadian dollar** is up 0.01 at 0.7813 (U.S.).

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## COMMODITIES

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**West Texas Intermediate crude oil fell 0.3% at \$45.61.**

**Gold gained 0.1% to \$1,868.10 an ounce.**

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Please email questions, comments or concerns to:

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