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Morning Need to Know

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Written & curated by the Capital Ideas Media team



CANADIAN ANALYSTS' CALLS

The Descartes Systems Group Inc. (TSX:DSG).

Laurentian Bank Securities analyst Nick

Agostino raised his target price on the stock to US\$61 per share from US\$52.

“Despite operating in an uncertain environment, DSG highlighted several growth opportunities which should offer notable tailwinds, we believe, starting 2021, including: 1) e-commerce where the U.S. market grew 22 per cent year-over-year, and now represents 10 per cent of DSG’s sales. We believe this is a sticky business and is an area of ongoing investment for DSG including from the recent

ShipTrack acquisition; 2) U.S. policy changes which should drive new trading agreements and in our view create a less volatile trading environment; 3) vaccine distribution offering a lucrative opportunity for DSG's customers for what is a very sensitive product (specifically regarding storage temperature), and; 4) Brexit which should result in new trading agreements for the U.K. and offer step-function growth for DSG (reflected in our multiple increase)," he said.

Greenlane Renewables Inc. (TSXV:GRN). Raymond James analyst David Quezada increased his target price on the stock to \$1.65 per share from \$1.25 with a "Strong Buy" rating.

"We came away from [Wednesday's] meeting [with CEO Brad Douville] with increased conviction in GRN's competitive positioning and ability to build market share as the RNG industry expands. Equally important, we expect growth in the RNG sector will remain strong; mostly driven by demand from natural gas utilities looking to decarbonize and more recently, oil and gas players chasing net carbon neutrality goals with specific targets for RNG production. We anticipate this driving future orders

in the dairy end market which oil and gas players tend to target for its low carbon intensity. Serial developers of RNG projects such as Brightmark, are also driving industry momentum and favor GRN's ability to offer all three biogas upgrading technologies," the analyst wrote.



U.S. ANALYSTS' CALLS

Equinix, Inc. (NASDAQ:EQIX). Mizuho analyst Omotayo Okusanya initiated coverage on the data centre real estate stock with a "Buy rating" and a price target of \$800 per share, as he expects the Company to continue to maintain its "superior earnings growth profile" going forward, given its high-quality portfolio and unique operating platform.

"We believe the laser-like focus on continuing to evolve the operating platform is also an effort by management to create further differentiation vs. peers, and adding new capabilities such as bare metal and virtual interconnection are steps in the right direction to generate higher monthly recurring

revenues (MRR) per cabinet from the customer base, and to further reduce churn,” Mr. Okusanya said.

Snowflake Inc. (NYSE:SNOW). Piper Sandler analyst Bent Bracelin boosted his price target on the stock to \$312 per share from \$264, while maintaining an “Overweight” rating, saying he has increased confidence in the company's longer-term growth trajectory on robust multi-year contract signings in the third quarter.

“We remain bullish on SNOW based on a promising 5-8 year growth trajectory and would opportunistically add to positions on weakness,” he wrote.



STOCKS THAT MAY MOVE

Stantec Inc. (TSX:STN) announced that it has signed a letter of intent to acquire Wenck, a US-based environmental engineering firm.

RioCan Real Estate Investment Trust (TSX:REI.UN)

said it will reduce its monthly distribution to unit holders from \$0.12 per unit to \$0.08 per unit.

MARKETS

S&P/TSX and U.S. equity futures are pointing to a higher open Friday on optimism of a U.S. economic stimulus package and hopes of a roll-out of COVID-19 vaccines.

CURRENCIES

The Canadian dollar is up 0.04 at 0.7779 (U.S.).

COMMODITIES

West Texas Intermediate crude oil rose 1.1% at \$46.12.

Gold gained 0.3% to \$1,846.10 an ounce.

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[*customercare@capitalideasresearch.com*](mailto:customercare@capitalideasresearch.com)

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