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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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**NFI Group Inc. (TSX:NFI).** Laurentian Bank Securities analyst Nauman Satti increased his target price on the stock to \$26 per share from \$23 with a “Buy” rating, touting the Company's “downside protection in a world of stretched valuation.”

“Since our initiation in Sep 2020, NFI’s stock price has increased by 32 per cent and seen a multiple re-rating from 8.5 times to 10.5 times on NTM EBITDA,” he said.

“We continue to believe that NFI’s EV offerings are not fully reflected in the stock price and we expect

further multiple expansion based on the near to medium-term policy tailwinds and NFI trading at a discount to its peer group multiple.”

### **Granite Real Estate Investment Trust**

**(TSX:GRT.UN)**. Desjardins Securities analyst Michael Markidis upgraded the industrial REIT to “Buy” from “Hold,” while raising his target price to \$85 per unit from \$79.

“We believe the modest expansion to our target multiple (10–15-per-cent premium previously) appropriately reflects GRT’s (1) improving market cap and liquidity (it is now the third-largest REIT in the S&P/TSX Capped REIT index), (2) leverage profile (lowest in our coverage universe), (3) access to low-cost unsecured debt capital, and (4) distribution growth track record,” the analyst wrote.



### **U.S. ANALYSTS' CALLS**

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**American Water Works Company, Inc. (NYSE:AWK)**.  
BofA Securities analyst Julien Dumoulin-Smith

boosted his price target on the water utility to \$155 per share from \$139, saying the stock's recent pullback does not “align with continued bid for clean sector.”

“We see continued success of ratebase growth as also decisive & consistent vs Utility peers. Municipal budget pressures should become ever more acute in '21 enabling further opportunities and de-risking high end EPS growth trajectory,” the analyst said.

“To this point, FMV value legislation has now been passed in 10 of AWK’s 14 state regulated footprint, while the company further enjoys consolidated tariffs in 12 states and water accountability legislation in three.”

**Whole Earth Brands, Inc. (NASDAQ:FREE).** DA Davidson analyst Brian Holland initiated coverage on the healthier foods stock with a “Buy” rating and \$16 per share price target, as he sees a “very attractive” setup for the stock, which has been pressured by “non-fundamental” factors, adding that the implied 50% upside in his price target over the next 12 months represents the “low end” of the range of outcomes.

“The Company's branded CPG segment is a play on reduced sugar intake and corresponding migration towards natural substitutes, while its Flavors & Ingredients segment is seen as a steady generator of profits and cash,” he wrote.



## STOCKS THAT MAY MOVE

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**TC Energy Corporation (TSX:TRP)** said it will acquire all outstanding shares of TC PipeLines, LP (NYSE:TCP) in a friendly, all-stock deal valued at about \$1.68 billion. TC PipeLines shareholders will receive 0.70 common shares of TC Energy for each TC PipeLines share held.

**Hardwoods Distribution Inc. (TSX:HDI)** announced that it has acquired River City Millwork Inc, a wholesale distributor of interior and exterior doors, custom millwork, and other ancillary products with estimated annual sales of US\$14 million.

## MARKETS

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**S&P/TSX and U.S. equity futures** are pointing to a higher open Tuesday ahead of the two-day US Federal Reserve meeting.

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## **CURRENCIES**

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**The Canadian dollar** is up 0.10 at 0.7844 (U.S.).

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## **COMMODITIES**

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**West Texas Intermediate crude oil** rose 0.6% at \$47.27.

**Gold** gained 1% to \$1,849.70 an ounce.

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