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Morning Need to Know

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Written & curated by the Capital Ideas Media team



CANADIAN ANALYSTS' CALLS

Brookfield Infrastructure Partners L.P.

(TSX:BIP.UN). Industrial Alliance Securities analyst Naji Baydoun raised his target price on BIP.UN to US\$60 from US\$52, while upgrading the units to “Strong Buy” from “Buy,” calling it one of his top picks for 2021.

“BIP remains a well-diversified vehicle for investors to play the broader infrastructure investment theme, with (1) access to a global infrastructure platform (ownership in more than US\$30B of assets), (2) defensive regulated/contracted cash flows (95 per cent of FFO), (3) visible cash flow growth (6-9 per

cent per year, CAGR 2019-24E), and (4) attractive income (3.5-per-cent yield, 60-70-per-cent FFO payout, and a 5-9 per cent per year dividend growth target),” he said.

“We expect 2021 financial performance to be materially stronger year-over-year, driven by (1) dissipating macro headwinds that impacted 2020 results (e.g., FX headwinds, COVID-19-related impacts), and (2) greater than US\$1-billion of recently completed external growth initiatives.”

Sernova Corp. (TSXV:SVA). Leede Jones Gable analyst Douglas Loe hiked his price target on the stock to \$2.50 per share from \$1.00, while maintaining his “Speculative Buy” rating, calling recent clinical data from medical technology company “impressive.”

“Sernova’s new interim Phase I Cell Pouch data further reduces development risk for the device, and not just in type I diabetes for which new data directly applies (the firm is also targeting hemophilia A (endothelial cell production of Factor VIII), and thyroid disease (cellular production of thyroxine and its precursors)),” the analyst wrote.



U.S. ANALYSTS' CALLS

Eli Lilly and Company (NYSE:LLY). Mizuho Securities analyst Vamil Divan upgraded the pharma stock to “Buy” from “Neutral,” while boosting his price target to \$222 per share from \$164.

“The company impressed with the initial top-line data from its Alzheimer's antibody donanemab, which was released last week,” Mr. Divan said.

“Lilly has not only potentially found an effective drug, but also understood how to properly design its clinical trials to demonstrate that effect in the right patient population.”

Elastic (NYSE:ESTC). Truist analyst Joel Fishbein initiated coverage on Elastic with a “Buy” rating and a \$175 per share price target.

He wrote that the company is well positioned to capitalize on the “rising volume and complexity of

data” as enterprises' success is increasingly linked to having the ability to unite disparate data sources and generate real time insights.

“Elastic's increasing number of use cases, high recurring revenue and high customer retention rate have positioned it strongly for durable growth going forward.”



STOCKS THAT MAY MOVE

NEXE Innovations Inc. (TSXV:NEXE) announced the expansion of its research, development and manufacturing facility in Surrey, BC, doubling its footprint to approximately 20,000 sq. ft.

Great Bear Resources Ltd. (TSXV:GBR) reported drill results from its 100% owned flagship Dixie Project in the Red Lake district of Ontario, which included 10.01 grams per tonne (g/t) gold over 34.85 metres from a depth of 50.50 to 85.35 metres.

MARKETS

S&P/TSX and U.S. equity futures are pointing to a higher open Wednesday ahead of Joe Biden's inauguration as the 46th president of the United States.

CURRENCIES

The Canadian dollar is up 0.15 at 0.7868 (U.S.).

COMMODITIES

West Texas Intermediate crude oil rose 0.9% at \$53.48.

Gold gained 0.4% to \$1,847.20 an ounce.

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