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Morning Need to Know

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CANADIAN ANALYSTS' CALLS

Ag Growth International Inc. (TSX:AFN). Desjardins Securities analyst David Newman increased his target price on the provider of agricultural bulk commodities to \$50 per share from \$38.50, while keeping a “Buy” rating on the stock, as he touted the “emerging ag super cycle.”

“The significant rally in crop prices, primarily on the back of record demand from China to feed its growing animal herds, is driving strong cash receipts and farm incomes, and has resulted in a spike in

farmer confidence,” he said.

“Growing farmer confidence should lead to an acceleration in spending on equipment, especially AGI’s short-line equipment, or consumables, which must be replaced every 3–7 years depending on usage. The synchronous rally in global agricultural markets is driving an increase in quoting activity across AGI and padding its already strong backlogs. Overall, AGI expects 2021 results to exceed 2020 results in both sales and adjusted EBITDA, which should kick into high gear in 2Q.”

Equitable Group Inc. (TSX:EQB). Raymond James analyst Stephen Boland upgraded the digital banker to “Outperform” from “Market Perform,” while raising his target price to \$140 per share from \$104, as he sees a positive outlook for its stock following the release of better-than-anticipated Q4 financial results.

“Management has provided very positive objectives of 12–15–per–cent EPS growth and an ROE of 15–17 per cent for the coming year. Additionally, originations in the alternative segment are expected to continue to rise. We have been cautious on the

lenders entering the winter season and the pandemic though that caution is subsiding. Additionally, we are introducing our 2022 estimates and maintain the earnings growth into that year,” the analyst wrote.



U.S. ANALYSTS' CALLS

Starbucks Corporation (NASDAQ:SBUX). BMO Nesbitt Burns analyst Andrew Strelzik upgraded the stock to “Outperform” from “Market Perform,” while boosting his target price to US\$120 per share from US\$102, saying the Company is likely to be a big winner as the recovery from pandemic-driven lockdowns progresses.

“We view SBUX as a reopening beneficiary with meaningful potential upside to FY21/FY22 consensus, partly driven by comp contributions from sales transfer due to the U.S asset base transformation, accelerating digital momentum, easing competitive dynamics in China, and steeper margin recovery,” Mr. Strelzik said.

“Further, SBUX is increasingly attractive in the

context of alternatives' share price appreciation.”

Palo Alto Networks Inc. (NYSE: PANW). DA Davidson analyst Andrew Nowinski hiked his price target on the cybersecurity giant to \$450 per share from \$325, while maintaining a “Buy” rating on the stock, calling the Company’s Q2 results “solid.”

He noted that PANW management raised the outlook for its Network Security segment to 16% while its Cloud/AI Segment is still growing by 90%, adding that Palo Alto has assembled a “best-in-class cloud portfolio,” which should lead to share gains as the market continues to push more apps to the cloud.



STOCKS THAT MAY MOVE

Royal Bank of Canada (TSX:RY) reported a Q1 2021 adjusted profit of \$2.69 per share, beating the analyst consensus estimate of \$2.27 per share on record earnings from its capital markets division.

MCAN Mortgage Corporation (TSX:MKP) said it will pay a special stock dividend valued at \$0.85 per share on March 31, 2021 to shareholders of record as of March 15.

MARKETS

S&P/TSX and U.S. equity futures are pointing to a higher open Wednesday following dovish comments U.S. Federal Reserve chair Jerome Powell, which are easing inflation concerns.

CURRENCIES

The Canadian dollar is up 0.18 at 0.7962 (U.S.).

COMMODITIES

West Texas Intermediate crude oil rose 1.1% at \$62.36.

Gold gained 0.1% to \$1,808.40 an ounce.

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