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Morning Need to Know

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Written & curated by the Capital Ideas Media team



CANADIAN ANALYSTS' CALLS

Summit Industrial Income REIT (TSX:SMU.UN).

Raymond James analyst Brad Sturges initiated coverage on the light industrial properties real estate investment trust with an “Outperform” recommendation and a \$15.75 per unit target price, saying Summit provides “premium growth prospects with pure-play industrial exposure to Canada’s strongest markets.”

“Summit is uniquely positioned as the largest pure-play Canadian REIT that is solely focused on the Canadian industrial property market,” he said.

“Specifically, the Greater Toronto Area (GTA) and Greater Montreal Area (GMA) property markets account for 65 per cent of the REIT’s industrial facility portfolio footprint. Both Toronto and Montreal feature: 1) low average vacancy rates; 2) growing leasing demand for high-quality industrial real estate; 3) limited land available to develop modern, ecommerce friendly industrial facilities; and 4) rising land and development costs (partly through increasing municipal development charges).”

Enthusiast Gaming Holdings

Inc. (TSX:EGLX). Colliers Securities analyst Derek Soderberg boosted his target price on the gaming media platform to \$12 per share from \$6.50 with a “Buy” rating.

“Enthusiast reported Q4 results comfortably ahead of our model on the top line alongside better-than-expected gross margins, benefitting from expansion of the direct sales and subscription elements of the business,” the analyst wrote.

“The direct sales business is beginning to accelerate as the front of the funnel benefits from growing RFP volume, growing conversion to bookings and as

customer mandates grow in size. Also in the quarter, the subscription business continued to grow through user growth and shift towards annual plans from monthly plans. Despite the recent share appreciation, we remain confident in Enthusiast's ability to grow revenue and expand margins in 2021 and 2022."



U.S. ANALYSTS' CALLS

Dollar General Corporation (NYSE:DG). JPMorgan analyst Matthew Boss increased his target price on the discount retailer to \$250 per share from \$224, while keeping an "Overweight" rating on the stock, after hosting meetings with management.

Mr. Boss said new customer acquisition at Dollar General today is "materially outpacing" by multiples the number of households which transitioned to the concept exiting the financial crisis.

As a result, Dollar General CEO Todd Vasos has "never been more bullish" during his 13-year tenure on the model, the analyst noted.

Moody's Corporation (NYSE:MCO). Deutsche Bank analyst Ashish Sabadra raised his price target on the global risk assessment company to \$315 per share from \$300, as he expects the rating agency to post “robust” Q1 results.

He wrote the recent issuance data, particularly the strength in high yield, bodes well for ratings revenues to outperform in Q1.



STOCKS THAT MAY MOVE

BRP Inc. (TSX:DOO) reported better-than-expected Q4 earnings per share of \$2.95, up from \$1.32 a year earlier. The Ski-Doo maker also said it plans to offer electric models of each of its product lines by the end of 2026.

Hut 8 Mining Corp. (TSX:HUT) said its Fiscal 2020 net income climbed 87% to \$4.0 million, while

its Bitcoin balance rose 17% since December 31 to 3,233 coins as of March 24.

MARKETS

S&P/TSX and U.S. equity futures are pointing to a lower open Thursday ahead of the U.S. 7-Year Treasury note auction.

CURRENCIES

The Canadian dollar is up 0.07 at 0.7954 (U.S.).

COMMODITIES

West Texas Intermediate crude oil fell 2% at \$59.93.

Gold slipped 0.2% to \$1,730.40 an ounce.

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