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Morning Need to Know

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Written & curated by the Capital Ideas Media team



CANADIAN ANALYSTS' CALLS

VersaBank (TSX:VB). Acumen Capital analyst Trevor Reynolds initiated coverage on the Canadian digital banking stock with a “Buy” rating and a target price of \$19.50 per share, saying the Company's focus on technology is “paying off.”

“VB sources low cost deposits from an extensive network of partners while deploying risk adjusted loans to commercial real estate and a rapidly expanding point of sale (POS) market where partners provide instant financing for big ticket purchases (modern layaway) such as hot tubs, vehicles, cosmetic surgery, and home improvement,” he said.

“Growth moving forward will be driven by low cost insolvency deposits (currently 0 per cent), continued growth in POS loans, and new innovative deposit (VCAD) and loan (instant mortgage) products. VB is also actively leveraging its strength in cybersecurity through DRT Cyber which began generating revenue in Q1.”

EQ Inc. (TSXV:EQ). Echelon Capital Markets analyst Rob Goff increased his target price on the digital marketing services provider to \$2.40 per share from \$2.20, while maintaining his “Speculative Buy” rating, citing a new partnership and recent upsized equity financing as reasons to be bullish on the stock.

“We look for EQ’s Artificial Intelligence or AI-driven data analytics of consumer behaviour to quickly emerge as a differentiated enabler driving client strategy, proprietary marketing and advertising programs,” the analyst wrote.

“The Company’s AI capabilities position it as a leader in Canadian location-based analytics. EQ leverages its AI and Machine Learning (ML) with location-

based data together with primary data to predict purchase intent and analyze audiences.”



U.S. ANALYSTS' CALLS

MercadoLibre, Inc. (NASDAQ:MELI). Susquehanna analyst James Friedman reiterated his “Positive” rating and \$1990 per share price target on the Latin American eCommerce and payments giant, saying the Company is uniquely well positioned in both Fintech and eCommerce.

Mr. Friedman said that although MercadoLibre posted results that fell just short of its pre-announced numbers he was encouraged by its balanced growth and sharp acceleration in Brazil and Mexico.

AudioEye Inc. (NASDAQ:AEYE). Maxim analyst Allen Klee raised his price target on the digital accessibility platform provider \$42 per share from \$36, while maintaining a “Buy” rating on the stock.

The analyst cited the Company's greater momentum

in customer growth, resulting in higher monthly recurring revenue along with its increasing expenses as AudioEye is building out management to support becoming a larger entity.

He added that AudioEye's preliminary Q4 revenue forecast announced last month was better than he expected.



STOCKS THAT MAY MOVE

Laurentian Bank Financial Group (TSX:LB) reported better-than-expected Q1 adjusted earnings of \$47.6 million, up from \$36.9 million during the same period last year.

GDI Integrated Facility Services Inc. (TSX:GDI) announced Q4 revenue that rose 6% to \$364.7 million, while swinging to a profit of \$17.0 million from a net loss of \$0.9 million during the same period last year.

MARKETS

S&P/TSX and U.S. equity futures are pointing to a lower open Wednesday even as the U.S. said it will have enough supply of COVID-19 vaccines to vaccinate all adults by the end of May.

CURRENCIES

The Canadian dollar is up 0.09 at 0.7921 (U.S.).

COMMODITIES

West Texas Intermediate crude oil rose 1.5% at \$60.67.

Gold slipped 0.7% to \$1,722.00 an ounce.

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