

Equity Brief: Ratings Changes for December 6th: CVC, CVX, DCO, DF, DMD, DRI, DUK, ECL

The Associated Press

A number of stocks were upgraded and downgraded by equities research analysts today, as reported by Analyst Ratings Network (<http://bit.ly/equitybriefdaily>) and Equity Brief:

Raymond James initiated coverage on shares of Cablevision (CVC). They issued an outperform rating on the stock.

Dahlman Rose upgraded shares of Chevron (CVX) from a hold rating to a buy rating. Dahlman Rose now has a \$120.00 price target on the stock.

Imperial Capital initiated coverage on shares of Ducommun Incorporated (DCO). They issued an outperform rating on the stock and set a \$18.00 price target. They wrote, "After a poor 2011 for DCO stock (down 40%), we believe there is further upside in 2012 and into 2013 as the company delivers margin upside and continues to de-lever since its LaBarge acquisition, completed on June 28, 2011. With the stock up 12% in 2012, as compared to the A&D index up just 8%, we believe patient investors will see further outperformance into 2013 as margins and execution improve and debt reduction continues. Aside from steady improvement in the core business, catalysts include margin upside in the Aerostructures segment, debt reduction, and better end market growth."

Bank of America initiated coverage on shares of Dean Foods Co (DF). They issued a buy rating on the stock.

Stifel Nicolaus lowered its price target on shares of Demand Media Inc. (DMD) from \$15.00 to \$14.00. They have a buy rating on the stock. They wrote, "Yesterday we hosted Mel Tang, CFO in NYC. DMD's stock was down 6.5% on a competitor downgrade asserting incremental Google risk due to search arb tactics. We believe this assertion is incorrect. Paid traffic (SEM) is roughly 1% of gross revenues and less than 1% of traffic. Two other key takeaways as we tweak our model 1) The YouTube content deal expires at the end of 1Q, we had previously assumed a renewal (\$5-10mn of annual network revs), we have stripped that from our model. 2) gTLD initiatives remain difficult to model. We have assumed no incremental gTLD revenue or associated expense beyond company's guidance."

Deutsche Bank reiterated its hold rating on shares of Darden Restaurants, Inc. (DRI). They have a \$45.00 price target on the stock, down previously from \$55.00. They wrote, "Staying on the sidelines. Ahead of the Dec 20 earnings release, DRI preannounced an ~40% EPS miss vs. consensus for the Nov. qtr. (3rd neg. pre-announce. in last 6 qtrs.). This miss was driven by weak traffic and margins as DRI continues to struggle to find the right balance of promo vs. innovation to drive

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consistent SSS. While DRI's div. yield is attractive, the weak cash flow coverage, lack of earnings visibility, and likely deceleration in unit growth do not support a near-term recovery in the stock price. Hold."

FBR Capital raised its price target on shares of Duke Energy Co. (DUK) from \$63.00 to \$66.50. They have a market perform rating on the stock.

Jefferies Group reiterated its buy rating on shares of Ecolab Inc. (ECL). They have a \$83.00 price target on the stock, up previously from \$82.00. They wrote, "With the modified Champion bid likely to close by year-end, 2013 should mark a shift from portfolio integration to executing on productivity initiatives. We are raising our price target \$1 to \$83 and reiterate our Buy ratings."

Zacks reiterated its neutral rating on shares of EOG Resources (EOG). They have a \$123.00 price target on the stock. Zacks' analyst wrote, "We are maintaining our Neutral recommendation on EOG Resources following better-than-expected third quarter 2012 results that were driven by surging crude production in the Eagle Ford and Bakken. The company increased the production guidance for 2012 on the back of its oil drilling achievements and provided a positive operational update, highlighting its successful downspacing initiatives in both plays. EOG's large portfolio of high-return projects and strong technical competence are its key long-term drivers. Although we view EOG as a favorable pick, the risk-reward pay-off for the company is still uncertain in the near future due to its natural gas weighted production and reserves base, as well as cost overruns. As such, we expect EOG to perform in line with the broader market."

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