

Title: I thought analysts don't cover GME...

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A pedestrian walks by a GameStop store Credit: JUSTIN SULLIVAN/GETTY IMAGES

GameStop's narrower-than-expected loss sent its stock surging in premarket trading, igniting optimism among the retailer's avid shareholder base. But while the company's performance is encouraging, at least one analyst is urging caution.

"In current market conditions, somewhat unclear [long-term] growth prospects remain a key source of speculation & debate," wrote Jefferies analyst Stephanie Wissink.

Wissink trimmed her price target for the stock to \$26 from \$27.50 following GameStop's (ticker: **GME**) earnings report on Wednesday afternoon. She maintained a Hold rating on the shares.

The company posted a non-GAAP net loss of \$107.1 million, or 35 cents a share, in the second quarter—narrower than analysts' forecasts for a loss of 42 cents a share. Sales were \$1.14 billion, below expectations for \$1.27 billion, according to FactSet.

Despite the earnings beat, Wissink cautioned