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A Note to Subscribers: There will be no Morning Notes published on December 24, 25, 28 and January 1, due to the holidays. There will also be no Weekly

Digest next week (December 29).

Happy Holidays from Capital Ideas Media!

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Morning Need to Know

Getting you ready for your investing day

December 23, 2020

Written & curated by the Capital Ideas Media team



CANADIAN ANALYSTS' CALLS

Lightspeed POS Inc. (TSX:LSPD). Credit Suisse analyst Timothy Chiodo initiated coverage on the stock with an “Outperform” rating and a target price of US\$70 per share, seeing it as “operating at the intersection of software and financial services.”

“Lightspeed is operating within what we believe will

be one of the most important themes within our coverage over the coming 5-10 years – the intersection of software and financial services,” he said.

“Lightspeed is not only capable of enabling complex merchants to run their businesses, but also in embedding and powering additional ecosystem- and monetization-enhancing financial services such as payments, instant payouts, lending (Lightspeed Capital powered by Stripe), card issuing, banking & treasury services, and much more (e.g., potential for payroll, AP automation, insurance).”

Converge Technology Solutions Corp. (TSXV:CTS). Echelon Capital Markets analyst Rob Goff increased his target price on the stock to \$4.90 per share from \$4.60, while maintaining a “Speculative Buy” rating, calling the Company's recently-announced, US\$5-million deal for hybrid IT solution provider CarpeDatum Consulting an “on-strategy, accretive acquisition.”

“We believe the Company stands to build further shareholder value given the positive momentum of cross-selling its product suite for organic growth

while key vendor relationships bring efficiencies, referrals, and acquisition candidates. We are bullish towards the Company's ability to maintain its acquisition and organic growth momentum," he said.



U.S. ANALYSTS' CALLS

SMART Global Holdings, Inc. (NASDAQ:SGH). Stifel analyst Brian Chin raised his price target on SGH to \$45 per share from \$32, while keeping a “Buy” rating on the stock.

Mr. Chin said Smart's proposed acquisition of Cree's (CREE) LED Products business unit is “misunderstood,” and expects next month's earnings call to spotlight “the spring-loaded margin expansion and accretion potential afforded by this deal.”

fuboTV Inc. (NYSE:FUBO). Needham analyst Laura Martin boosted her price target on the live TV streaming provider to \$60 per share from \$30, while

maintaining a “Buy” rating on the stock.

She believes FuboTV will continue to have strong upside momentum into 2021 as it is taking share from competitors, its Hisense partnership lowers SAC, upside from sports betting, OTT multiple expansion, and CTV upside.



STOCKS THAT MAY MOVE

Magna International Inc. (TSX:MG) said it has signed a deal with LG Electronics to create a joint venture to build components for electric cars. The venture will manufacture e-motors, inverters and on board chargers and, for certain automakers, related e-drive systems.

Wishpond Technologies Ltd. (TSXV:WISH) announced that it has agreed to acquire Invigo Media Corp. for an expected purchase price of approximately \$3 million based on estimated earn-out payments. Invigo Media has an annualized revenue run-rate of about \$2.7 million

with EBITDA margins greater than 20%.

MARKETS

S&P/TSX and U.S. equity futures are pointing to a higher open Wednesday even as US President Trump slammed the Congressional stimulus bill as a “disgrace.”

CURRENCIES

The Canadian dollar is up 0.15 at 0.7762 (U.S.).

COMMODITIES

West Texas Intermediate crude oil fell 0.02% at \$47.01.

Gold slipped 0.1% to \$1,867.80 an ounce.

Please email questions, comments or concerns to:

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