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Morning Need to Know

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Written & curated by the Capital Ideas Media team



CANADIAN ANALYSTS' CALLS

TransAlta Corporation (TSX:TA). CIBC World Markets analyst Mark Jarvi upgraded the stock to “Outperformer” from “Neutral,” while raising his target price to \$13 per share from \$10.

“We’ve reflected the planned move to \$170 per tonne carbon pricing longer term that we assume has a positive impact on the EBITDA contribution and valuation of TA’s hydro assets. The second key element to our revised price target is a change in our valuation approach. We now value the deconsolidated [ex-TransAlta Renewables (RNW)] cash flows and then ascribe value to TA’s stake in

RNW (with a 10-per-cent holdco discount). While there is higher risk with TA given merchant and carbon pricing risks, we do believe this stock could see further upside in 2021 than the more richly valued renewable IPPs.” he said.

Curaleaf Holdings, Inc. (CSE: CURA). Canaccord Genuity analyst Derek Dley increased his target price on the U.S. cannabis stock to \$23.50 per share from \$18.50, while maintaining a “Speculative Buy” rating.

“In addition to cash on hand as of its Q3/20 reporting and proceeds from the sale of some of its Maryland assets, we note that Curaleaf now has more than US\$400 million of cash on hand. We believe this puts the company in a favourable capital position vs. many of its U.S. peers with the flexibility to better navigate what is an extremely fast-moving industry at the state level that could see as many as five of CURA’s markets legalize/ implement adult-use sales in the next 12 months (AZ, NJ, NY, PA, CT),” the analyst wrote.



U.S. ANALYSTS' CALLS

Skillz Inc. (NYSE:SKLZ). Wedbush analyst Michael Pachter initiated coverage on the eSports platform with an “Outperform” rating and a \$34 per share price target, saying the Company is likely to “capture increasing wallet share through its unique business model, greater adoption of paid entry fee gaming contests and several untapped growth opportunities.”

“It is prioritizing the opportunity in its home geography before turning its attention elsewhere. This decision is prudent in our view as Skillz has a first mover advantage in an industry that could be worth billions of dollars in the U.S. alone,” Mr. Pachter said.

Plug Power Inc. (NASDAQ:PLUG). H.C. Wainwright analyst Amit Dayal hiked his target price on the fuel cell manufacturer to \$85 per share from \$60, while keeping a “Buy” rating on the stock, saying the Company is cementing its position as the leading hydrogen and fuel cell play in the world.

“We believe with partners such as SK Group and Renault, the company essentially has state-level

backing to accelerate hydrogen and fuel cell commercialization in Asia and Europe,” he wrote.



STOCKS THAT MAY MOVE

Aritzia Inc. (TSX:ATZ) reported better-than-expected Q3 earnings as its eCommerce revenue surged 79%.

Excellon Resources Inc. (TSX:EXN) announced Q4 silver production that climbed 37% to 355,581 ounces.

MARKETS

S&P/TSX and U.S. equity futures are pointing to a mixed open Thursday as investors look ahead to earnings from big U.S. banks at the end of the week and await U.S. President-elect Joe Biden's proposal for another stimulus package.

CURRENCIES

The Canadian dollar is up 0.12 at 0.7887 (U.S.).

COMMODITIES

West Texas Intermediate crude oil fell 0.2% at \$52.79.

Gold slipped 0.7% to \$1,842.10 an ounce.

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