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Morning Need to Know

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Written & curated by the Capital Ideas Media team



CANADIAN ANALYSTS' CALLS

Element Fleet Management Corp. (TSX:EFN). RBC Dominion Securities analyst Geoffrey Kwan calls the stock his best idea for 2021 and has an “Outperform” rating and a \$17 per share target price on EFN.

“We believe EFN provides investors an attractive blend of growth, defensive attributes, multiple potential positive catalysts and an attractive valuation,” he said.

“We think 2021 will demonstrate the high FCF generation of the business (we estimate 5-per-cent share buybacks in 2021) and if EFN is reasonably

successful winning new customers, we believe our forecasts are likely conservative and EFN's P/E multiple is likely to re-rate higher.”

Pollard Banknote Limited (TSX:PBL). Canaccord Genuity analyst Robert Young raised his target price on the stock to \$40 per share from \$25, while maintaining a “Buy” rating, calling the Company's acquisition of lottery technology solutions provider Next Generation Lotteries AS a “substantial step forward.”

“Pollard Banknote does not yet provide segmented disclosure of its iLottery business. That said, Pollard has highlighted iLottery as a strong driver of growth in 2020, particularly in Q3 as consumers looked for digital alternatives to their normal lottery and casino entertainment. iLottery growth from the existing customers, particularly Michigan Lottery, was compounded by ramps in Virginia and Alberta. We view the recent two acquisitions as Pollard’s management moving more urgently into the digital domain to capture lottery upside. The move is consistent with the company’s build and buy strategy,” the analyst wrote.



U.S. ANALYSTS' CALLS

C3.ai Inc. (NYSE:AI). Wedbush analyst Daniel Ives initiated coverage on the SaaS company with an “Outperform” rating and a \$200 per share price target.

Mr. Ives considers C3.ai “the LeBron of AI setting up for massive growth,” calling it a disruptive enterprise software vendor.

Rent-A-Center Inc. (NASDAQ: RCII). Loop Capital analyst Anthony Chukumba considers the stock one of his Top Picks for 2021, while keeping a “Buy” rating and a \$50 price target on the shares.

He wrote that the recently-enacted fiscal consumer stimulus will provide Rent-A-Center with a continued tailwind in 2021, adding that he is excited by the Company's pending acquisition of “fast-growing and highly profitable” virtual rent-to-own provider Acima.



STOCKS THAT MAY MOVE

TMAC Resources Inc. (TSX:TMR) said it has agreed to be acquired by Agnico Eagle Mines Limited (TSX:AEM) for C\$2.20 per share in cash.

Quarterhill Inc. (TSX:QTRH) announced that it has acquired Sensor Line GmbH, a provider of fiber optic traffic sensors for road and rail markets, for approximately \$6.0 million in cash.

MARKETS

S&P/TSX and U.S. equity futures are pointing to a lower open Tuesday following a COVID-19 lock down in the UK and ahead of the U.S. Senate runoff races in Georgia.

CURRENCIES

The Canadian dollar is up 0.15 at 0.7842 (U.S.).

COMMODITIES

West Texas Intermediate crude oil rose 1.9% at \$48.54.

Gold gained 0.4% to \$1,953.50 an ounce.

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