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Morning Need to Know

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Written & curated by the Capital Ideas Media team



CANADIAN ANALYSTS' CALLS

Neo Lithium Corp. (TSXV:NLC). Paradigm Capital analyst David Davidson initiated coverage on the lithium junior with a “Speculative Buy” recommendation and a \$4 per share target price.

“Neo Lithium Corp. (NLC) is one of a handful of junior lithium development companies with a line of site to construction and production of new high-quality lithium supply to an emerging undersupplied market,” he said.

“NLC has quickly become a prominent new name in lithium brine development by virtue of its high-

quality 3Q (Tres Quabras) project and experienced team. The company is rapidly advancing its 100%-owned 3Q project — a unique high-grade lithium brine lake and salar complex in Latin America's Lithium Triangle... a Feasibility Study is underway and is expected to be delivered in Q3/21 and should solidify 3Q as one of the higher-return brine projects being developed today.”

H₂O Innovation Inc. (TSXV:HEO). Acumen Capital analyst Nick Corcoran has a “Buy” rating and a \$3 per share price target on the “under the radar” stock.

“HEO had a strong year in 2020 with a return of 106.1 per cent. We expect HEO to have continued momentum in 2021 as (1) it is the only pure play water play listed on the TSX or TSX Venture, (2) organic growth and acquisitions drive top line growth, and (3) margins expand with increased scale and other initiatives,” the analyst wrote.



U.S. ANALYSTS' CALLS

Schlumberger (NYSE:SLB). ATB Capital Markets analysts Waqar Syed and Tim Monachello called SLB their top energy services pick.

“Unlike the prior cycles, we expect international activity to respond quicker to increases in oil demand/oil prices,” the analysts said.

“We see activity in the Middle East rapidly increasing starting Q2/21, and see pockets of strength in other areas where COVID sharply reduced activity in 2020. U.S. completion-leveraged stocks have benefited greatly since March, with HAL being the top large cap performer, but for 2021, we prefer the 2020 laggard SLB for cyclical and secular reasons.”

Porch Group, Inc. (NASDAQ:PRCH). Northland analyst Mike Grondahl raised his price target on the home services platform to \$25 per share from \$17, while keeping an “Outperform” rating on the stock, calling it a top pick after the Company announced four acquisitions and updated guidance.

He wrote that Porch is being well setup “with a much more well-rounded set of solutions” following the deals that include Homeowners of America, a

managing general agent insurance carrier, and V12, a marketing software and data platform.



STOCKS THAT MAY MOVE

Think Research Corporation (TSXV:THNK) announced that it has agreed to acquire MDBriefCase Group Inc., a provider of online continuing medical education and professional development solutions for clinicians, in a cash-and-stock transaction valued at C\$25.3 million.

MDBriefCase is expected to have generated trailing twelve-month revenues of approximately \$10.3 million (unaudited) and EBITDA of approximately \$0.3 million (unaudited) as at December 31, 2020.

Karora Resources Inc. (TSX:KRR) reported record 2020 gold production of 99,249 ounces from its Beta Hunt and Higginsville mines in Western Australia and said it expects a 21% increase in its 2021 production guidance.

MARKETS

S&P/TSX and U.S. equity futures are pointing to a sharply higher open Tuesday on earnings optimism and expectations of more U.S. government stimulus.

CURRENCIES

The Canadian dollar is up 0.20 at 0.7858 (U.S.).

COMMODITIES

West Texas Intermediate crude oil rose 0.4% at \$52.55.

Gold gained 0.5% to \$1,839.50 an ounce.

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