

Your Exclusive Benzinga Insider Report

(DO NOT FORWARD)

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Volume 3.52

Market Overview (Member Only)

- Stocks squeezed out a gain during the holiday trading week, with the Nasdaq once again leading the way higher. The tech-heavy index finished up 0.76%, while the S&P 500 and Dow Jones Industrial Average followed, finishing up 0.67% and 0.35%, respectively.
- We're in the Santa Claus Rally period until this Friday – but remember – this is based on probabilities – don't take it as a given.
- The quantum world is upon us and it's going to revolutionize countless industries. Expect this to be a new tech craze in 2025.
- Note that this is an abbreviated report due to the holiday trading schedule. Regular reports will resume next week.

Stocks I Like

Advanced Micro Devices (Ticker: AMD) (51% Return Potential)



What's Happening

- Advanced Micro Devices (**AMD**) is a leading global semiconductor company, specializing in high-performance computing, graphics, and visualization technologies, catering to industries ranging from gaming to data centers and artificial intelligence.
- In 2023, the company reported revenues of \$23.6 billion, with a net profit of \$4.6 billion.
- **AMD's** valuation reflects its strong position in the semiconductor and technology sectors. With robust revenue growth, its Price-to-Sales ratio is 6.2, while its P/E ratio is 33.4 and its EV to EBITDA is 19.7.
- At a technical level, **AMD** just bounced off technical support, in what could turn out to be a double bottom. If this holds, this legacy semiconductor could have a great run in 2025.

Why It's Happening

- The Data Center segment's remarkable performance is a key indicator of **AMD's** competitive edge in high-performance computing. With the increasing demand for cloud services and AI applications, **AMD's** EPYC CPUs and Instinct GPUs are gaining traction among enterprise customers. This trend is expected to persist, suggesting that **AMD's** revenue from this segment could continue to expand significantly, further enhancing its overall financial health.
- **AMD** is positioning itself to be a significant player in the AI market with its recent acquisitions, including Silo AI and ZT Systems. These moves are designed to enhance

AMD's capabilities in developing AI models and solutions tailored for high-performance computing environments.

- While competitors like Nvidia have dominated headlines with their advancements in AI chips, **AMD**'s strategy of entering established markets with competitive alternatives positions it well for future gains. The company's focus on providing high-performance products at competitive prices may attract customers looking for viable alternatives in an increasingly crowded market.
- **AMD** has formed strategic partnerships with major tech companies, including Microsoft and Google. These collaborations enhance **AMD**'s visibility in cloud computing and gaming sectors, likely leading to increased sales and market penetration.
- Analysts are increasingly bullish on **AMD**'s prospects, with many expecting significant upside potential as the company capitalizes on trends in AI and data center expansion. Recent reports indicate a one-way flow of capital into **AMD** stocks as institutional investors recognize its value proposition amid a growing semiconductor market.
- **AMD** reported impressive third-quarter earnings with a revenue of \$6.8 billion, marking an 18% increase year-over-year.

Analyst Ratings:

- Morgan Stanley: Equal Weight
- B of A Securities: Neutral
- Mizuho: Outperform

My Action Plan (80% Return Potential)

- I am bullish on **AMD** above \$108.00-\$110.00. My upside target is \$225.00-\$230.00.

Archer Aviation (Ticker: ACHR) (52% Return Potential)



What's Happening

- Archer Aviation (**ACHR**) is an innovative electric vertical takeoff and landing (eVTOL) aircraft manufacturer, focused on revolutionizing urban air mobility with sustainable and efficient aerial transportation solutions.
- In 2023, the company reported revenues of \$15 million, with a net loss of \$120 million, reflecting its ongoing development phase and investments in technology and infrastructure.
- Archer Aviation's valuation highlights its potential in the emerging electric aviation market. With a strong focus on innovation, its Price-to-Sales ratio is 50.5, while its P/E ratio is not applicable due to the company's current net loss, and its EV to EBITDA is 58.2.
- From a technical standpoint, **ACHR** looks ready for liftoff as it starts to breakout from an ascending triangle formation. This could be a big runner going into next year.

Why It's Happening

- The urban air mobility market is projected to grow exponentially over the next decade, driven by increasing urbanization and demand for efficient transportation solutions. As one of the leaders in this space, Archer stands to benefit significantly from this trend, making it an appealing investment as it capitalizes on this emerging market opportunity.
- Archer Aviation has recently announced a significant partnership with Stellantis, which is expected to enhance its production capabilities for eVTOL aircraft. This collaboration not

only provides Archer with robust manufacturing support but also positions the company to scale its operations effectively.

- Archer's collaboration with Anduril Industries to develop a hybrid VTOL military aircraft opens new revenue streams beyond urban air mobility. This strategic move into the defense sector not only diversifies Archer's portfolio but also aligns with government spending trends on advanced aviation technologies.
- Recent upgrades from major financial institutions reflect growing confidence in Archer Aviation's potential. Deutsche Bank raised its price target from \$11 to \$15, while Cantor Fitzgerald increased theirs from \$10 to \$13. Such bullish sentiment from analysts indicates a strong belief in Archer's business model and future profitability, which could attract more investors and push the stock price higher in the near term.
- With a recent equity boost of \$430 million from top-tier investors, Archer Aviation is well-positioned financially to pursue its ambitious growth strategies. This influx of capital not only strengthens its balance sheet but also provides the necessary resources for R&D and operational expansion.
- Archer is scheduled to report earnings on February 24, 2025, with expectations of narrowing losses year-over-year. Analysts anticipate a loss of \$0.24 per share, representing a 17% improvement compared to the same quarter last year. A positive earnings report could serve as a catalyst for stock appreciation as it demonstrates progress toward profitability.

Analyst Ratings:

- Cantor Fitzgerald: Overweight
- HC Wainwright: Buy
- Deutsche Bank: Buy

My Action Plan (52% Return Potential)

- I am bullish on **ACHR** above \$8.00-\$8.20. My upside target is \$17.00-\$18.00.

Market-Moving Catalysts for the Week Ahead

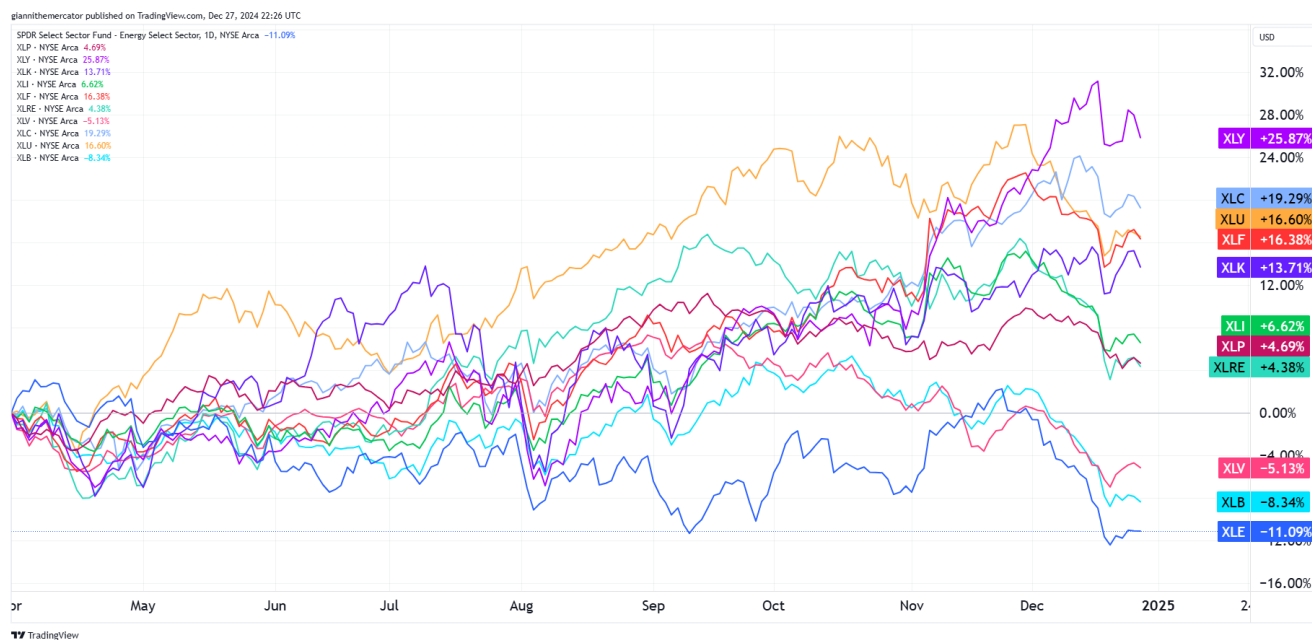
Let's Hit the Ground Running in 2025

Stocks were straight up for most of last week but then saw some selling come into the tape on Friday. Remember, this is typical low-volume holiday trading. Yes, we're in the Santa Claus Rally period, which usually favors the upside, but it's not always the case.

Markets will be closed this Wednesday for New Year celebrations, but I'm still of the view that any dips need to be bought in this tape. We could see choppiness persist for the next couple of weeks, which is fine, as I'm still seeing a lot of negative sentiment out there.

2024 will go down as an excellent year for the record books, and with the Fed easing now, I'm not ruling out a full-blown market mania in 2025. So, take this holiday time to rest a bit, because next week, we'll be back into the full swing of things again.

Sector & Industry Strength (Member Only)



It's the final week of 2024 and even with the recent selling, I'm still seeing signs that bulls are in control of this tape. When you see sectors like energy (Ticker: XLE), healthcare (Ticker: XLV), and consumer staples (Ticker: XLP) near the bottom of the sector performance rankings, it tells me that money isn't flowing into defensive areas of the market.

The top-performer since the start of Q2 2024 is still consumer discretionary (Ticker: XLY). Granted, a lot of this has to do with Tesla's recent moves, but it's still a sign that the market has confidence in the consumer for now.

One sector I'm watching closely going into 2025 is industrials. I think a lot of the aerospace components within the index could have a great year. It's also very important that we see tech (Ticker: XLK) start to rise within the rankings in the early part of next year too.

1 week	3 Weeks	13 Weeks	26 Weeks
Energy	Consumer Discretionary	Consumer Discretionary	Consumer Discretionary

Editor's Note: Rotation into the laggards last week – shouldn't last if we're still bullish.

The Quantum-Chip Connection - Sector ETF: (Ticker: QTUM) (Ticker: SMH)

In light of recent tech developments surrounding quantum computing, we may have a new craze on our hands going into 2025. For years, we've been hearing about Nvidia and their importance when it comes to A.I. chips, but is that going to soon be a thing of the past?

Look, I'm not saying AI is old news. It's just starting to permeate our everyday lives, but markets are operating in the future. I think the next big thing in tech is quantum computing and AI is going to improve it tremendously.

Google came out with the Willow chip, but will there be other competitors in the space? Check out this ratio between quantum stocks (**QTUM**) and semiconductors (**SMH**). We've seen quite the pop and it could be starting a new bull trend here. At some point, I expect there to be some overlap between the two sectors.



Cryptocurrency

Back to analyzing Ethereum this week, as the price action is showing some compelling technical developments. Looking ahead, a decisive move back above the \$3,500-\$3,600 zone is needed to restore short-term bullish momentum.



Going into next year, it looks like Ethereum is at least 30-50% undervalued. We could see a little more selling near-term, and I'm not completely ruling out a retest of the lows from mid-November in the 2900-3100 zone.

The setup reminds me of similar technical formations we've seen in previous crypto bull cycles, with sentiment having reset from recent highs and the broader crypto market showing signs of strength, Ethereum appears poised for potential upside, provided the current technical structure holds.

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