

JIM CRAMER'S

BEST STOCKS FOR 2017

TheStreet

Jim Cramer's Best Stocks for 2017

TheStreet's Jim Cramer said there will still be a lot of deals in 2017 "no matter what" at TheDeal's economy conference at the J.W. Marriott Essex House in New York on Thursday. Deals may be helped in part by a less strident anti-trust department under Donald Trump's administration, he noted.

Cramer also gave his 10 recommendations of companies that could be takeover targets next year. He noted that while these are only prospective targets, they would make logical sense.

"Every one of these deals should be done," Cramer said, adding that if the fundamentals weren't any good, he wouldn't be recommending them. Cramer noted these companies will do "quite well" on their own even without a takeover. Here they are:

1. **Advanced Micro Devices Inc (AMD)**

The company makes chips in the "hottest" area of semiconductors: gaming, which has double-digit growth, Cramer noted. AMD should be bought by Micron Technology Inc. (MU), according to Cramer. Micron stock has been stuck in the teens and the company is acutely aware it needs to get out of there, Cramer said. "I could see Micron soar on this," Cramer said of a possible acquisition of AMD. The deal would help Micron gain exposure to fast growing markets and be "less trapped" in cell

Originally presented at The Deal Economy Conference on 12/01/2016. All stock prices listed are current as of that date.



Jim Cramer is one of America's most recognized and respected investment professionals and media personalities. He is the founder of **Action Alerts PLUS**, a club created to teach investors the ins and outs of portfolio management.

In 1996, Jim founded *TheStreet*, one of the most visited financial media websites for individual and institutional investors. Jim also writes daily market commentary for *TheStreet's Real Money* premium service and participates in video segments on **TheStreet TV**. He also serves as the host of the "Mad Money" television program and co-host of "Squawk on the Street", both on CNBC.

Jim graduated magna cum laude from Harvard College, where he was president of The Harvard Crimson. He went on to earn a law degree from Harvard Law School in 1984. From there, Jim joined Goldman Sachs, where he worked in sales and trading. In 1987, he left Goldman to start his own hedge fund. While still managing his fund, Jim helped start *Smart Money* for Dow Jones.

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phones and tablets. He noted that AMD does not want to be acquired and it just reported a good quarter.

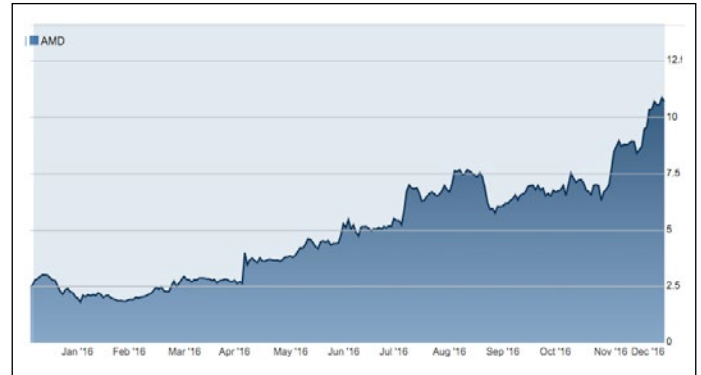
2. Xilinx Inc.

The \$13 billion company designs programmable technologies and should be acquired by Broadcom, Cramer said. "It's time for Broadcom to make another deal. Why? Every time Broadcom buys a company, the stock goes higher," he said. Xilinx has heavy exposure to aerospace and data center sectors, which Broadcom does not currently play in. Last month, Broadcom agreed to buy Brocade Communications Systems Inc. (BRCD) in a \$5.9 billion deal, including debt.

3. Marvel Technology Group Ltd.

"I can't believe this one hasn't happened yet," Cramer said, referring to a takeover of the \$7 billion integrated circuit maker for PCs and tablets. Marvel's main emphasis is automobile, Internet of Things, storage networking, machine data and learning and artificial intelligence. The troubled company has been pressured by activist investor Starboard Value, he noted. The two most likely acquirers of Marvel are Western Digital Corp. and Seagate Technology PLC as both are trying to be more than disk drive makers, according to Cramer. The addition of Marvel to either company would be greeted as positively or even more so than Western Digital's acquisition of flash memory company SanDisk

Advanced Micro Devices



Xilinx Inc.



Marvel Technology Group Ltd.



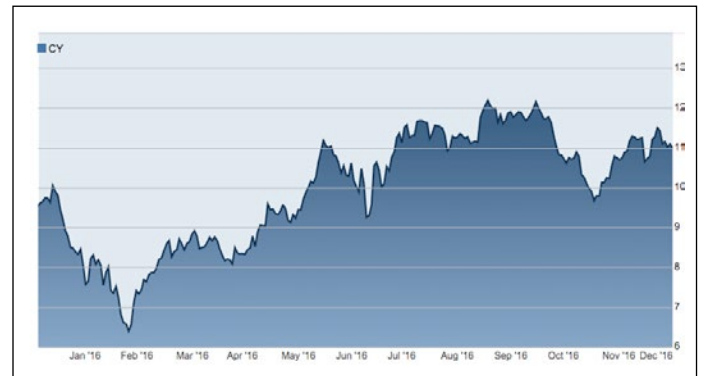
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earlier this year, Cramer said.

4. Cypress Semiconductor Corp.

Cramer believes AMD should buy the semiconductor company, which is undervalued. He noted the company is half the size of AMD. Cypress is currently trading around \$10 per share amid a selloff in tech stocks.

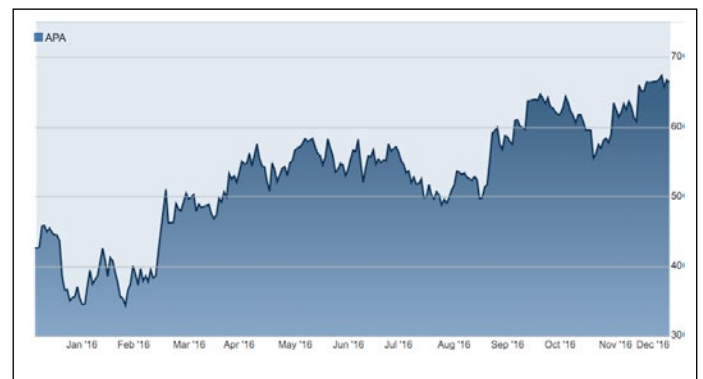
Cypress Semiconductor Corp.



5. Apache Corp.

Cramer believes Occidental Petroleum Corp. would be the logical buyer for the oil and gas company. Apache, which is focused entirely domestically, is currently trading around \$67 per share. If the company bought Apache for as much as \$85 per share, Occidental stock would go up, Cramer contended.

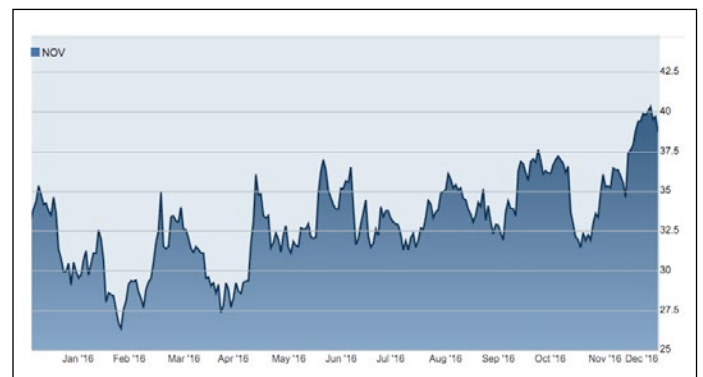
Apache Corp.



6. National Oilwell Varco Inc.

The stock "used to be so much higher. I don't mind if this one gets bought," Cramer said. In late October, General Electric Co. agreed to merge its oil and gas unit with Baker Hughes Inc. . The new company could be a possible acquirer of National Oilwell Varco.

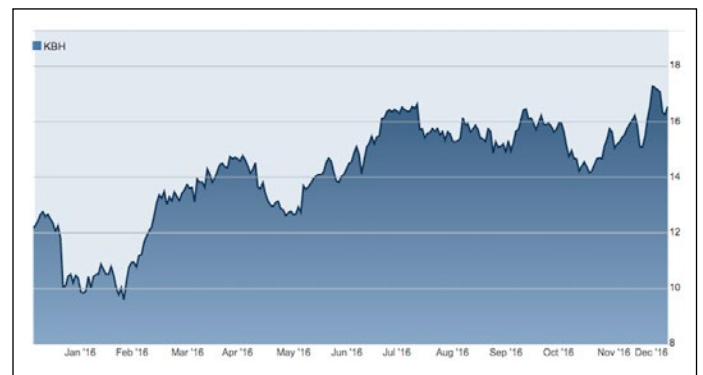
National Oilwell Varco Inc.



7. KB Home

Housing has been in the doldrums, according to Cramer, who recommended finding a target with land. Homebuilder KB Home has "so much land around San Francisco. No one has the land they have around San Francisco," Cramer said, noting that starter homes in the city are \$1.3 million. He said PulteGroup

KB Home



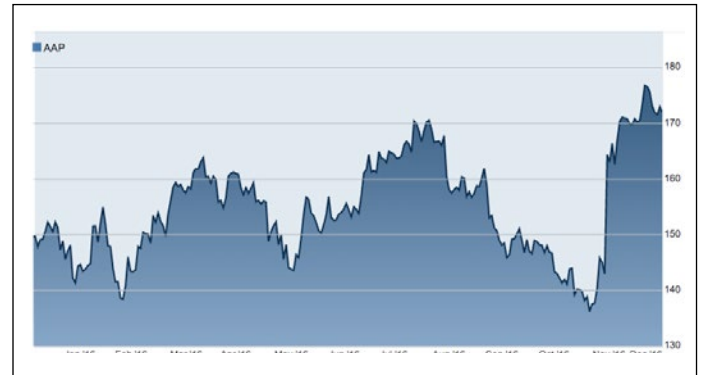
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Inc. could solve its lack of growth with an acquisition of KB Home.

8. Advance Auto Parts Inc.

The \$12 billion company is a “natural fit” for its competitor O’Reilly Automotive, Cramer said. The auto parts industry is fragmented and badly in need of consolidation, he noted. The two companies together would have 10,000 stores.

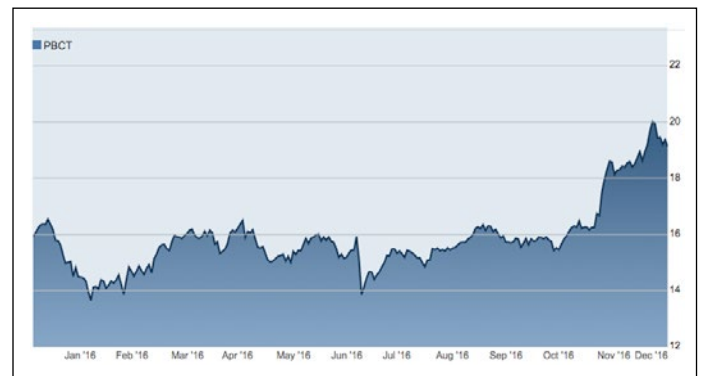
Advance Auto Parts Inc.



9. People's United Financial Inc.

KeyCorp should buy the regional bank. KeyCorp CEO Beth Mooney bought First Niagara earlier this year, which gave her branches in Connecticut, Massachusetts, New York and Pennsylvania. The First Niagara deal has produced tremendous dividends for shareholders already. People's United has branches in New Hampshire, Vermont, New York, Connecticut Massachusetts and Maine. People's also has a lower book value than KeyCorp.

People's United Financial Inc.



10. Arconic Inc.

The company was formerly part of Alcoa Corp. and separated from it last month. Honeywell International Inc. and Eaton Corp. should be prospective buyers as aerospace makes up about 41% of Arconic.

Arconic Inc.



Jim Cramer's Best Stocks for 2017

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- Which stocks should you add to your portfolio?
- What positions should you trim and increase?
- How will the new administration and a 'Trump economy' impact the markets?

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