



Market Summary

DOW	16937.67	+13.39	PEYTO ENERGY	39.95	+0.08	POLARIS	2.89	+0.03
TSE	14884.93	+46.03	WESTERN FOREST	2.11	+0.03	CANADIAN \$	0.9162	+0.0013
S&P	1951.36	+1.92	CATALYST	2.80	--	EURO	1.3586	-0.0056
NASDAQ	4336.90	+15.50	CANFOR	24.13	+1.09	COPPER	3.04	-0.01
TSX VENTURE	988.21	+0.76	REDSTAR GOLD	0.05	--	CRUDE OIL	104.30	+1.64
SILVER	29.07	+0.08	LUMBER	308.00	+1.50	NATURAL GAS	4.66	-0.05
GOLD	1254.30	+1.80	TIM HORTON'S	59.55	-1.18	PRIME RATE	3.00%	

Market Commentary

• Japan's economy picks up speed on unexpected surge in capex

The country's first quarter growth handily beat initial estimates on an unexpected surge in capital spending, fresh signs the world's third-biggest economy is in better shape to weather a hit to consumption from a sales tax hike.

• Downbeat Canada jobs, productivity data show economy struggling

Downbeat Canadian jobs and productivity data released on Friday showed the economy is still struggling to recover fully despite a strengthening U.S. recovery.

• China's May exports gain steam but imports fall unexpectedly

Exports gained steam in May thanks to firmer global demand, data showed on Sunday, but an unexpected fall in imports signalled weaker domestic demand that could continue to weigh on the world's second-largest economy.

The **Canadian stock market** starts the week gaining after hitting a near six-year high in the previous session. Housing starts data is on the economic radar. **U.S. stock indexes** were little changed. Record low interest rates coupled with improving economic data pushed world stocks near all-time high levels. The **dollar** continued to benefit from rising U.S. Treasury yields, after U.S. jobs data last week showed employment back at its pre-recession level. **Gold** held above \$1,250 an ounce in thin volumes, while **Brent** rose supported by strong Chinese trade data.

• **TransCanada Corp** (TRP). The U.S. State Department on Friday corrected several errors it made in a key study evaluating the impact of the company's proposed Keystone XL pipeline, including an understatement of how many people could be killed on railroad tracks if the project were rejected and oil traffic by rail increased.

ANALYSTS' RECOMMENDATIONS

• **Enerplus Corp** (ERF). RBC cuts to sector perform from outperform rating on the basis of share price appreciation and potential return to the one-year target price

• **Major Drilling Group International Inc** (MDI). CIBC cuts target price to C\$8.50 from C\$9.50 citing the company's fourth-quarter results missing estimates, says it was unable to offset reduced pricing with productivity gains and cost-cutting

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