



## Market Summary

DOW	17804.12	+219.60	PEYTO ENERGY	30.67	+35	POLARIS	2.14	--
TSE	14482.25	+197.25	WESTERN FOREST	2.75	+07	CANADIAN \$	0.8461	-.0001
S&P	20 48.38	+22.49	CATALYST	3.50	--	EURO	1.1793	-.0044
NASDAQ	4706.41	+55.94	CANFOR	29.71	+86	COPPER	2.77	+01
TSX VENTURE	688.37	+4.72	REDSTAR GOLD	0.05	--	BRENT CRUDE	51.19	+04
SILVER	16.53	-.01	LUMBER	322.70	--	NATURAL GAS	2.85	-.01
GOLD	1211.30	+.60	FIRST MAJESTIC	7.46	+12	PRIME RATE	3.00%	

## Market Commentary

### • Fed looks past a world in turmoil, confident in U.S. recovery

U.S. central bankers have looked beyond a global deflation threat, fear of energy-sector bond defaults, and a surge of oil patch layoffs to reach what appears to be a firm conclusion: the U.S. recovery is here to stay..

### • Loonie comments

Avery Shenfeld says the Canadian dollar may need to fall further to attract new investments into its manufacturing sector, and be recognized for its competitiveness by the United States. Mr. Shenfeld said, "We're probably going to need to see, still, a weaker currency to make Canada -- Ontario, Quebec -- the place to install that next plant." Mr. Shenfeld mentioned factors such as relatively high electricity prices in Ontario could shape whether a new facility is built north or south of the border. Even as manufacturing of products such as automobiles shifts back to Canada, it will take time to plan, build and open new plants, leaving a hole in the country's gross dependent product this year, Mr. Shenfeld notes. He says it is a big hole to fill. The CIBC economist says, "If you look at capital spending in Canada, nearly 30 per cent was in the oil and gas sector, so you're going to get a pretty big blow there that you have to make up in other sectors."

### • Apple raising cost for apps in Canada and Europe due to the falling currency

TSX trading higher, mirroring its **U.S. counterparts**, as minutes from the recent U.S. Federal Reserve meeting reassured investors the central bank was in no hurry to start raising interest rates and that there is a chance of co-ordinated central banks moves to stimulate economies. The US initial job claims report is also leading to optimism about the payroll report due Friday New housing price index is on the economic radar. The **dollar** hit a 9-year high against the **euro**. **Oil** had started flat halting a four-session decline after crude stockpiles fell, but has since begun to ease some again.

• **Bank of Nova Scotia (BNS)**. The company led investment banks in Canada in the value of equity issues it advised on in 2014, driven by a few high-profile initial public offerings and some big oil and gas deals before the oil-price rout in the year's second half. Scotiabank advised on equity issues worth C\$5.5 billion, followed by **RBC Capital Markets (RY)** with C\$5.4 billion and **BMO Capital Markets (BMO)** with C\$4.7 billion. Debt issues dropped 6.1 percent to C\$166.6 billion in 2014. RBC led the pack, followed by TD Securities and CIBC World Markets.

## ANALYSTS' RECOMMENDATION

- **Barrick Gold (ABX)**. RBC cut rating to sector perform from outperform to factor geopolitical risks, fluctuations in commodity and currency prices, and greater than expected mine operating and new project construction costs.
- **Goldcorp (GG)**. RBC cut price target to \$28 from \$31; rating outperform citing company's strong organic growth profile, its low total cash costs, and low geopolitical risk profile.
- **West Fraser (WFT)**. RBC raised price target to C\$72 from C\$65 saying that material weakening of the Canadian dollar may also improve results for company as most forest product commodities are priced in US dollars.

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