



Market Summary

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|-------------|----------|---------|----------------|--------|-------|-------------|--------|--------|
| DOW | 17673.53 | -63.84 | PEYTO ENERGY | 30.08 | -.79 | POLARIS | 2.24 | -- |
| TSE | 14217.03 | -167.89 | WESTERN FOREST | 2.65 | -.03 | CANADIAN \$ | 0.8382 | -.0044 |
| S&P | 2033.22 | -11.59 | CATALYST | 3.86 | -- | EURO | 1.1832 | -.0007 |
| NASDAQ | 4673.82 | -30.22 | CANFOR | 28.55 | -.76 | COPPER | 2.72 | -.04 |
| TSX VENTURE | 677.82 | -9.39 | REDSTAR GOLD | 0.04 | -.01 | BRENT CRUDE | 47.52 | -2.59 |
| SILVER | 16.47 | +0.06 | LUMBER | 319.60 | +0.60 | NATURAL GAS | 2.82 | -.13 |
| GOLD | 1226.50 | +10.4 | FIRST MAJESTIC | 7.84 | +0.42 | PRIME RATE | 3.00% | |

Market Commentary

• Shire to buy NPS for \$5.2 bln to boost rare disease drugs

Shire Plc has agreed to buy U.S. group NPS Pharmaceuticals Inc for \$5.2 billion, the Dublin-based drugmaker's biggest acquisition yet as it seeks to strengthen its position in the lucrative field of medicines for rare diseases.

• Dollar Tree expects to divest less than 300 stores to buy Family Dollar

Discount store chain Dollar Tree Inc said it expects to divest less than 300 stores to buy larger rival Family Dollar Stores Inc, and had already identified potential buyers.

• J&J strikes Alzheimer's deal with AC Immune worth up to \$509 mln

Johnson & Johnson boosted its research efforts in Alzheimer's on Monday by striking a deal potentially worth up to \$509 million with unlisted Swiss biotech firm AC Immune to develop so-called anti-tau vaccines.

TSX pointed lower to start the first trading day of the week, lower crude and weakness in the banks being the largest drag, meanwhile gold has gotten a bid. **European markets** rose, with shares of airlines and the auto industry leading the region's stocks higher. With Tokyo on a holiday, trading was choppy and **Asian markets** closed mixed. US markets started slightly higher but soon succumbed to selling pressure also. The **U.S. dollar** edged slightly higher, recovering from Friday's losses on the benign wage report. **Gold** inched up, but doubts over the likely timing of an increase in U.S. interest rates this year were seen likely to bolster investment demand in the short term. **Oil** prices showed no sign of escaping their downward spiral and traded around \$47 a barrel.

• Western Forest added to S&P/TSX Composite index

S&P Dow Jones Indices Canadian index operations have made index changes as a result of the quarterly reviews of the S&P/TSX Venture Select, Composite Buyback and Composite Shareholder Yield indices. These changes will be effective at the open on Monday, Jan. 19, 2015.

• **Onex (OCX)**. The private equity firm has bought UK safety and survival equipment maker Survitec from **Warburg Pincus** for 450 million pounds, Warburg Pincus said. Survitec, which makes equipment from lifejackets to anti-gravity suits, had 234 million pounds in revenues in the year to March 31, 2014. Warburg Pincus bought Survitec from private equity group Montagu in 2010 for 280 million pounds.

• **Tekmira Pharmaceuticals Corp (TKM)**. The company agreed to buy Pennsylvania-based **OnCore Biopharma Inc** to focus on developing hepatitis B virus treatment by combining multiple therapeutic methods. The implied market value of the merged company is about \$750 million, based on Tekmira stock's closing price of \$15.70 on the Nasdaq on Jan. 9, the companies said in a statement. OnCore will become a wholly-owned subsidiary of Tekmira and upon closing of the deal, OnCore shareholders will hold about 50 percent of the total outstanding shares of Tekmira.

• **Canadian Natural Resources (CNQ)**. The independent oil producer cut its 2015 capital expenditure and production forecast as global oil prices continue to slump. The company now plans to spend C\$6.19 billion in 2015, 28 percent lower than its earlier forecast of C\$8.6 billion. It also cut its 2015 total annual production forecast to 840,000 to 887,000 barrels of oil equivalent per day from 869,000 to 916,000 boepd.

• **Husky Energy Inc (HSE)**. A fire that started after an explosion on Saturday at the company's 155,000-barrel-per-day crude oil refinery in Lima, Ohio, has caused extensive damage to a unit at the plant, a fire official said Sunday. No injuries were reported in the blast, which was heard across the city and shattered nearby windows, according to local media reports. Sources said output at the plant has stopped and was unlikely to resume for several days.

• **Ithaca Energy (IAE)**. The North Sea-focused oil and gas operator has cut its 2015 investment budget by 60 percent from last year because of weak oil prices, it said. The company said its 2015 net capital expenditure would be about \$150 million, two thirds of which is related to its Greater Stella Area project, which is expected to produce its first oil before the end

of this year.

ANALYSTS' RECOMMENDATION

- **Canadian National Railway Co (CNR)**. Barclays cut price target to C\$86 from C\$87 stating that while there is continued improvement in North America's best operator, valuation is at a premium.
- **Canadian Pacific Railway Ltd (CP)**. Barclays cut price target to C\$270 from C\$280 saying that company's renewed operational discipline provides the potential to nearly double the current earnings base.
- **Canexus Corp (CUS)**. CIBC cut target price to C\$4.50 from C\$5.25 considering that a plunge in crude prices is likely to impact the NATO takeout valuation.
- **OceanaGold (OGC)**. BMO cut rating to underperform from market perform stating that company is facing an inevitable decline in gold production as Reefton closes at the end of 2015 and Macraeswinds down in 2017.
- **Shaw Communications Inc (SJRb)**. Canaccord Genuity raised target price to C\$29 from C\$27 to factor in company's rational pricing environment, improving FCF, and exposure to growth in enterprise.

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