



Market Summary

DOW	16412.63	-69.91	PEYTO ENERGY	33.82	+1.19	POLARIS	2.36	--
TSE	13754.02	-18.56	WESTERN FOREST	2.21	-.01	CANADIAN \$	0.9163	+0.021
S&P	18		CATALYST	2.34	+1.10	EURO	1.3600	-.0003
NASDAQ	4206.19	-8.69	CANFOR	27.45	+1.11	COPPER	3.35	-.01
TSX VENTURE	973.44	-2.37	REDSTAR GOLD	0.06	+0.005	CRUDE OIL	94.00	-.35
SILVER	20.13	+0.01	LUMBER	368.50	--	NATURAL GAS	4.36	+0.08
GOLD	1242.10	+3.80	TIM HORTON'S	60.12	-.02	PRIME RATE	3.00%	

Market Commentary

- **US consumer price inflation in the U.S. rose in line with expectations in December.**

It was the largest increase in six months as gasoline prices rebounded. There was, however, little to suggest a broader pick-up in prices, with underlying inflation muted. There was an increase of 0.3 percent after being flat in November. In the 12 months to December, consumer prices accelerated 1.5 percent after advancing 1.2 percent in November. The increases were in line with economists' expectations.

- **Americans filing new claims for unemployment benefits fell for a second week last week**

Suggesting a sharp step-down in job growth in December was likely to be temporary. Economists had expected first-time applications to fall to 328,000 in the week ended January 11. The four-week average for new claims fell 13,500 to 335,000.

- **Euro zone inflation slows in Dec on one-off effect in Germany**

Euro zone inflation slowed in December, the European Union's statistics office confirmed, in what the European Central Bank attributed last week to a one-off change in the method of calculating price growth in Germany.

- **Goldman Sachs profit hit by lower bond trading revenue**

Goldman Sachs Group Inc reported a 21 percent drop in quarterly profit as revenue from fixed-income trading fell.

- **BlackRock's fourth-quarter profit rises 24 percent**

BlackRock Inc, the world's largest money manager, said that its fourth-quarter profit rose 24 percent, citing growth in markets, long-term net inflows and strong performance fees.

- **Sears Canada to cut more than 1,600 jobs**

Sears Canada Inc plans to cut more than 1,600 jobs, or more than 7 percent of its workforce, this year as it reorganizes and outsources some of its business, the struggling department store operator said on Wednesday.

- **Rio Tinto turns up mine output in iron ore, other minerals**

Rio Tinto reported big increases in the production of iron ore and other minerals in 2013, betting China's massive economic growth will provide a ready market for decades to come.

After hitting a 2-1/2 year high in the previous session, the **TSX** opened lower as investors digested U.S. economic data including jobless claims and consumer index coupled with corporate earnings. **Wall Street** also saw a weak open. **European markets** were pulled lower by falling retail stocks and **Asian markets** ended mixed. **Brent** fell and **gold** moved higher after the inflation data.

- **Bombardier Inc (BBDdb).** Saudi Gulf Airlines, a new carrier born of the deregulation of Saudi Arabia's aviation market, has signed a \$2 billion deal with the company to buy 16 CSeries jets with options for 10 more, the airline's owner said. Delivery of the CS300 jets, which seat between 130 and 160 passengers, is expected between the end of 2015 and the start of 2016, said Samer al-Magali, president of the Abdel Hadi al-Qahtani group.

- **Element Financial (EFN).** Investors looking at the equipment financing company and its 175-percent stock surge in just over two years could think they've missed the boat, but CEO Steven Hudson insists the upstart company has plenty of upside. Element will seek acquisitions in the United States and Europe, could eventually issue a dividend, and plans rapid asset and receivable growth from its C\$3.3 billion at the end of 2013.

- **Sears Canada Inc (SCC).** The struggling department store operator said it plans to cut more than 1,600 jobs, or more than 7 percent of its workforce, this year as it reorganizes and outsources some of its business, it said on Wednesday. It said it signed an agreement with IBM Corp to take over work currently handled internally, a move that affects 1,345 jobs at three call centers over the next nine months.

- **Saputo Inc (SAP).** Bega agreed to sell its 18.8 percent stake in takeover target Warrnambool Cheese and Butter Factory Holdings Co to Saputo. That effectively ends a takeover battle Bega itself started last year but abandoned as bids spiraled. The sale lifts it to just short of majority control, and is expected to prompt other investors to follow suit.

• **TransAlta Corp (TA)**. Australia's Duet Group and the company announced a joint venture to build a 270 kilometre pipeline in Western Australia to deliver gas for Fortescue Metals Group Ltd's mining operations. The new pipeline will connect the existing Dampier to Bunbury natural gas pipeline to the 125 MW Solomon power station, which is operated by it. Duet holds a 57 percent interest in the project, which will cost about A\$178 million, while TransAlta owns the rest.

ANALYSTS' RECOMMENDATIONS

- **Baytex Energy Corp (BTE)**. Barclays raises to overweight from equal weight citing the company's visible long-term growth, high-quality management and strong balance sheet
- **Bonavista Energy Corp (BNP)**. Barclays raises target price to C\$15 from C\$13 on the company's strong asset base and management team and good track record
- **Paramount Resources Ltd (POU)**. Barclays raises target price to C\$45 from C\$42, says with key infrastructure projects the company will have a compelling growth story

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