



## Market Summary

DOW	17754.32	-59.66	PEYTO ENERGY	32.75	+54	POLARIS	2.23	--
TSE	14838.83	+74.65	WESTERN FOREST	2.51	+01	CANADIAN \$	0.8057	-.0019
S&P	2058.70	-4.48	CATALYST	6.09	+69	EURO	1.1281	-.0083
NASDAQ	4745.85	-4.55	CANFOR	28.35	-15	COPPER	2.51	-.07
TSX VENTURE	678.75	-0.10	REDSTAR GOLD	0.04	--	BRENT CRUDE	49.32	+80
SILVER	18.16	-.20	LUMBER	312.00	+6.20	NATURAL GAS	2.93	+10
GOLD	1287.80	-12.90	FIRST MAJESTIC	7.44	-35	PRIME RATE	2.75%	

## Market Commentary

### • Canadian inflation slows to 1.5 per cent in December

Falling Canadian pump prices last month played a big role in slowing the country's annual inflation rate to 1.5 per cent in December compared with two per cent in November.

Statistics Canada's report Friday found gasoline prices in December were down 16.6 per cent compared with a year ago. The move lower followed a drop of 5.9 per cent in November.

Compared with a year earlier, the federal agency says consumer prices rose in seven of the survey's eight major categories with transportation, which includes gasoline, the lone decliner.

### • Black Friday helps push Canada's November retail sales up 0.4%

Canadian retail sales unexpectedly rose by 0.4 per cent in November to a record high C\$43.03-billion (\$34.70-billion), pushed up in part by promotions such as Black Friday, Statistics Canada data indicated on Friday.

Market operators had expected a 0.2 per cent decline from October. The previous high was C\$42.86-billion recorded in September.

### • Oil erases gains as Saudi successor stands firm on policies

Oil erased gains in New York following the death of King Abdullah of Saudi Arabia as his successor said policies won't change in the world's largest crude exporter.

West Texas Intermediate futures were little changed, having advanced 3.1 per cent after the Saudi royal court announced the death in a statement. Brent remained 1.4 per cent higher in London. King Salman bin Abdulaziz, who succeeds Abdullah on the throne, said he would maintain his predecessor's policies. Oil Minister Ali Al-Naimi, who led OPEC's November decision to defend market share against surging U.S. shale supplies, remains in his post, according to state-run Saudi Press Agency.

### • US Purchasing Managers index falls

PMI eases 53.7 versus expectations of 54 and below Decembers 53.9

### • US Existing home sales come in soft, 5.04 million versus forecasts of 5.08

### • US Leading Indicator index rose 0.05% versus expectations of 0.04%

### • Evaporating inflation and growth put pressure on central banks

Businesses across Asia and Europe have slashed prices at the start of the year to drum up trade, surveys showed on Friday, a day after the European Central Bank voted to print money in a bid to revive inflation.

### • GE profit rises, helped by power, aviation units

General Electric Co posted a rise in quarterly profit, helped by its businesses selling power-generating turbines and jet engines, although sales in its oil and gas unit slumped.

### • Starbucks Americas traffic ticks up in holiday qtr, new COO named

Starbucks Corp on Thursday said traffic to its Americas-region stores perked up during the holiday quarter, easing investor jitters about slower growth and boosting shares over 4 percent in after-hours trading.

**Canada's main stock index** traded higher led by financials and strength in BB as takeover rumours persist. TSX is tracking **stocks worldwide**, a day after the **European Central Bank** announced a quantitative easing plan which will pump roughly a trillion euros into the stagnant euro zone economy. Investors digest the inflation and retail sales data released. **US markets** opened weak. **Gold** dropped below \$1,300 an ounce as the **US dollar** strengthened, while **oil** had risen at first after the death of Saudi Arabia's King Abdullah added more uncertainty to the oil market, eventually fell into the red before rising again.

• **Husky Energy Inc (HSE)**. There could be increased flaring as the company's refinery in Lima, Ohio, ramps back to normal operations, according to a report with limaohia.com news website. The company said on Monday it had begun the process of restarting the 155,000 barrel-per-day refinery following a Jan. 10 explosion and fire.

## ANALYSTS' RECOMMENDATION

- **Northland Power Inc** (NPI). National Bank Financial resumes coverage with outperform following the closing of its \$150 million 4.75% convertible debenture offering maturing June 30, 2020 – convertible at \$21.60 per common share.
- **TMX Group Ltd** (X). National Bank Financial cuts target price to C\$56 from C\$57 on lower estimates of the company with unchanged forecast reflects stronger-than-expected trading volumes offset by lower listing fee revenues in the quarter.

Morning Newsletter data source courtesy of  THOMSON REUTERS

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