



Market Summary

DOW	16178.05	-195.29	PEYTO ENERGY	33.90	-.08	POLARIS	2.24	+.03
TSE	13961.42	-26.78	WESTERN FOREST	1.31	+.01	CANADIAN \$	0.8959	-.0059
S&P	1825.49	-19.37	CATALYST	2.20	-.10	EURO	1.3679	+.0134
NASDAQ	4202.25	-40.65	CANFOR	28.556	-.06	COPPER	3.28	-.05
TSX VENTURE	978.70	-1.74	REDSTAR GOLD	0.055	--	CRUDE OIL	97.57	+.84
SILVER	20.04	+.20	LUMBER	364.00	-3.20	NATURAL GAS	4.62	+.07
GOLD	1261.90	+23.20	TIM HORTON'S	60.07	-.18	PRIME RATE	3.00%	

Market Commentary

• Euro zone business starts 2014 on a high, China falters

The global economy started 2014 on a disjointed note with the euro zone's private sector in better shape than expected and China's vast manufacturing industry contracting for the first time in six months.

• eBay dismisses Icahn proposal to spin off Paypal

Carl Icahn has taken a stake in eBay Inc and is proposing a spin-off of the its fast-growing PayPal division, but the e-commerce giant rebuffed the overture, setting the stage for a potential battle with the activist investor.

• Lockheed earnings, sales lower-than-expected on special charges

Top U.S. weapons maker Lockheed Martin Corp reported lower-than-expected earnings after charges linked to U.S. defense budget cuts and workforce reductions, but said it expected higher earnings this year.

• Lenovo to buy IBM's server business in China's biggest tech M&A

Lenovo Group Ltd has agreed to buy IBM Corp's server business for \$2.3 billion as the Chinese PC giant grabs another piece of the computing world in a long-awaited deal.

• Nokia network sales fall 22 percent

Nokia reported a 22 percent year-on-year fall in sales at its network equipment unit, the main business which it will be left with after sale of its former flagship phones business to Microsoft for 5.4 billion euros.

• The Canadian dollar was trading at its lowest level since 2009 early Thursday after a weak report on Chinese manufacturing and the Bank of Canada's latest interest decision.

The loonie dropped 0.46 of a cent to 89.73 cents U.S., after falling nearly a full cent on Wednesday following a Bank of Canada comment that was interpreted as a sign the currency may be overvalued. Chinese factory purchasing managers in January fell below the level indicating expansion for the first time since July.

HSBC's China manufacturing sector purchasing managers index fell to 49.6, below the line between growth and contraction, raising concerns that the world's second largest economy is still trying to find its footing.

Canada's main stock index extends previous session's losses as weaker-than-expected manufacturing data from China overshadowed strong economic data from the euro zone. Retail sales data is on the economic calendar. **U.S. stock indexes** pointed sharply lower. **European markets** turned lower and **Asian markets** ended negative. The **Canadian dollar** fell further after the Bank of Canada's warning that it was growing more concerned about low inflation. **Brent** rose while **gold** rallied from two-week lows.

• **Barrick Gold Corp** (ABX). The company said on Wednesday it has agreed to sell its Kanowna gold mine in Western Australia to Northern Star Resources Ltd for A\$75 million, as part of its move to sell non-core assets and focus on its lower cost mines. The mine produced about 225,000 ounces of gold in 2013.

• **Saputo Inc** (SAP). Australia's Murray Goulburn Co-operative Co Ltd agreed to sell its 17.7 percent stake in Warrnambool Cheese and Butter Factory Co Holdings Ltd to rival bidder Saputo, finally bowing out of the hotly contested bidding battle. Eyes are now on Japanese beverage giant Kirin Holdings Co Ltd, which holds a 10 percent stake in Warrnambool through its local unit Lion and has an important cheese making and packaging partnership.

ANALYSTS' RECOMMENDATIONS

- **Ithaca Energy Inc** (IAE). Imperial Capital raises price target to C\$3.30 from C\$3.05, says the company is close to a substantial increase in free cash flow generation once its well at Stella starts producing
- **WesternZagros Resources Ltd** (WZR). Wood Company cuts target price to C\$1.60 from C\$2.68, driven mainly by the failed K-3 exploration well and the company's recent announcement that it is to relinquish three plays in the Garmian licence area

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