



Market Summary

DOW	17429.37	+42.16	PEYTO ENERGY	32.49	-1.27	POLARIS	2.25	-.05
TSE	14755.99	-77.89	WESTERN FOREST	2.56	-.04	CANADIAN \$	0.8028	-.0039
S&P	2029.54	-0.04	CATALYST	5.50	-1.16	EURO	1.1343	-.0038
NASDAQ	4692.68	+11.18	CANFOR	29.23	+3.36	COPPER	2.49	+0.02
TSX VENTURE	671.25	-5.52	REDSTAR GOLD	0.035	--	BRENT CRUDE	49.17	-.43
SILVER	18.09	+0.01	LUMBER	312.00	+3.30	NATURAL GAS	2.86	+0.02
GOLD	1287.50	-5.40	FIRST MAJESTIC	8.07	-.09	PRIME RATE	2.85%	-.15

Market Commentary

• Fed seen remaining patient with rate guidance amid global turmoil

The Federal Reserve is expected to signal it remains on track to begin raising interest rates later this year, as the central bank shows confidence that low inflation and rising risks from abroad have yet to derail the U.S. economic recovery.

• Apple iPhone sales trample expectations as profit sets global record

Apple Inc quarterly results smashed Wall Street expectations with record sales of big-screen iPhones in the holiday shopping season and a 70 percent rise in China sales, powering the company to the largest profit in corporate history.

• Yahoo's decision to spin-off its Alibaba Group stake, shares surge

TSX opened lower as financial and commodity equities weighed on the index. Did make a sharp reversal within a few minutes but faded again ahead of the **U.S. Federal Reserve's** statement, in which the central bank is expected to signal it remains on track to begin raising interest rates later this year. Shares of AGF Management and CGI Group might be in focus as they report quarterly results. **U.S. stock indexes** pointed higher especially tech heavy NASDAQ where Apple and Yahoo trade.

European shares traded lower, with Greek stocks extending their sell-off, while **Asian shares** closed mostly higher. **Oil** slipped and **gold** eased as the **dollar** steadied.

• Canadian Banks cuts rates there prime finally .15% as RBC leads the way yesterday afternoon.

• **Canadian National Railway Co (CNR)**. The company reported better-than-expected fourth-quarter earnings on Tuesday and boosted its dividend, but lagged its main Canadian rival when it came to a key efficiency measure. CN Rail raised its quarterly dividend 25 percent to 31.25 Canadian cents per common share, and said it is aiming to increase shipments of crude oil and frac sand in 2015 despite a steep decline in the price of oil. Net income rose to C\$844 million, or C\$1.03 a share, from C\$635 million, or 76 Canadian cents, a year earlier. Revenue rose to C\$3.21 billion from C\$2.75 billion. Analysts, on average, had expected earnings of 97 Canadian cents a share on revenue of C\$3.12 billion.

• **Bombardier Inc (BBD)**. The company expects to receive safety certification from China for its high-speed trains as early as next month, providing a springboard for more orders, the firm's top executive in the country said. The regulatory clearance, after years of tests, means Bombardier will be able to begin delivering 80 of its CRH380D trains first ordered in 2009, worth \$4 billion in total.

• **Cenovus Energy Inc (CVE)**. The oil producer cut its capital spending budget for 2015 in response to the slump in crude oil prices. The company said it could defer capital spending of up to C\$700 million until oil prices recover. Cenovus announced in December a capital budget of C\$2.5 billion-C\$2.7 billion for this year, about 15 percent lower than for 2014.


• **Husky Energy (HSE)**. A fluid catalytic cracking unit at BP Plc and the company's Toledo, Ohio, refinery is expected to be shut for a week after a component tripped, according to a person familiar with the plant. The 55,000-barrel-per-day unit was shut after something tripped, the person said. Efforts were underway to increase production at the plant while Husky's refinery in Lima, Ohio, was at reduced rates following a fire, the person said.

ANALYSTS' RECOMMENDATION

• **Canadian National Railway (CNR)**. Barclays raised target price to C\$87 from C\$86 saying that company is the best North American operator which continues to improve, however valuation is at a premium.

• **Crescent Point (CPG)**. Goldman Sachs raised price target to C\$32 from C\$30 to reflect rising demand for natural gas and the need for a weaker Canadian dollar.

- **Metro Inc** (MRU). Barclays raised target price to C\$100 from C\$97 citing near term benefit from strong inflation & limited margin pressure.
- **Opentext Corp** (OTC). National Bank Financial cut rating to sector perform from outperform stating that company's momentum is likely to stall out over the near term on license weakness and FX headwinds.

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