



Market Summary

DOW	15732.24	-116.37	PEYTO ENERGY	32.50	+15	POLARIS	2.36	+01
TSE	13673.20	-62.08	WESTERN FOREST	2.35	-04	CANADIAN \$	0.8987	+0025
S&P	1783.81	-10.38	CATALYST	2.20	-05	EURO	1.3506	-0049
NASDAQ	4105.47	-17.69	CANFOR	28.42	-32	COPPER	3.20	-03
TSX VENTURE	945.44	-7.44	REDSTAR GOLD	0.06	--	CRUDE OIL	98.32	+10
SILVER	19.12	-01	LUMBER	357.00	-190	NATURAL GAS	4.90	-11
GOLD	1240.50	-2.000	TIM HORTON'S	57.77	-48	PRIME RATE	3.00%	

Market Commentary

• Google's outsized ad growth offsets steep price decline

Google Inc's quarterly revenue beat Wall Street's target despite an ongoing decline in prices for its online ads and deepening losses at Motorola, the handset-making division to be sold to China's Lenovo.

• Euro zone inflation drop in January gives ECB fresh headache

Euro zone consumer prices dropped in January, bucking market expectations for a rise and providing a possible trigger for further easing by the European Central Bank to sustain a fragile recovery and ward against deflation.

• Microsoft board close to naming Nadella as new CEO - source

Microsoft Corp is likely to appoint its cloud-computing head, Satya Nadella, as its next chief executive, a source familiar with the matter said on Thursday, as the board concludes a five-month search for a tech-savvy heavy-hitter to lead the world's largest software company.

Mirroring its **U.S. counterpart**, **Canada's main stock index futures** pointed lower on concerns surrounding the impact of the Federal Reserve's stimulus taper on emerging markets. Gross domestic product data is on the economic radar. **European shares** traded lower following mixed earnings releases. **Asian stocks** ended mixed, with Japan's **Nikkei index** slipping to a fresh 2-1/2-month low. In the currency market, the **yen** gained ground, helped by strong Japanese inflation data, while the **euro** traded lower on disappointing inflation figures. On the commodities front, **Crude opened soft but is flat while Gold** opened higher but eventually fell slightly.

• **Canadian National Railway Co (CNR)**. The rail operator reported higher quarterly earnings on Thursday, saying its full-year volumes and revenue hit record highs, but the results were tempered by extreme winter weather in December and came in slightly below estimates. Net income in the quarter ended Dec. 31 rose to 76 Canadian cents per share compared with 71 Canadian cents per share, during the same period a year earlier. Analysts had been expecting earnings per share of 77 Canadian cents.

• **Canadian Oil Sands Ltd (COS)**. The largest stakeholder in the Syncrude Canada Ltd oil sands project in northern Alberta said on Thursday fourth-quarter profits fell 12 percent due to higher expenses and a bigger foreign exchange loss. It said its profit dropped to C\$192 million, or 40 Canadian cents per share, from C\$218 million, or 45 Canadian cents, in the fourth quarter of 2012. Analysts, on average, had expected a profit of 49 Canadian cents a share.

• **Celestica Inc (CLS)**. The contract electronics manufacturer's quarterly profit narrowly beat analysts' average estimate due to a slight improvement in margins and a tax benefit. It said net income rose three-fold to \$22.1 million, or 12 cents per share, in the fourth quarter. In the year-earlier quarter, the company reported net income of \$7.2 million, or 4 cents per share. The company earned 24 cents on an adjusted basis. Analysts on average had expected earnings of 23 cents per share.

• **TransCanada Corp (TRP)**. The U.S. State Department is poised to issue an environmental review of the company's proposed Keystone XL oil pipeline that will likely say the project will not appreciably increase carbon emissions, sources said late Thursday, forcing President Barack Obama closer to a tough decision. Rumors swept through Washington late Thursday that the long-delayed review of the 1,179-mile pipeline to bring oil from Canada to Nebraska would finally be released as soon as Friday.

ANALYSTS' RECOMMENDATIONS

• **HudBay Minerals Inc (HBM)**. CIBC cuts target price to C\$11 from C\$12, says the company's recent equity deal increases the share count by 12 percent, and results in 4 percent dilution to the NAV

- **Norbord Inc** (NBD). CIBC cuts target price to C\$34 from C\$37 on the company's lower fourth-quarter results
- **Potash Corp** (POT). Canaccord Genuity cuts price target to \$30 from \$32 attributable to below consensus fourth-quarter results, sees 2014 guidance to be weak

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