



Market Summary

DOW	15282.02	-16.82	PEYTO ENERGY	32.36	-.28	POLARIS	2.35	+.14
TSE	133643.73	-51.21	WESTERN FOREST	2.33	--	CANADIAN \$	0.9042	+.0062
S&P	17		CATALYST	2.20	--	EURO	1.3488	+.0004
NASDAQ	4101.37	-3.37	CANFOR	28.53	-.14	COPPER	3.20	--
TSX VENTURE	954.52	+3.20	REDSTAR GOLD	0.05	--	CRUDE OIL	97.60	+.11
SILVER	19.33	+.21	LUMBER	353.80	--	NATURAL GAS	4.83	-.11
GOLD	1250.10	+10.30	TIM HORTON'S	67.37	-.38	PRIME RATE	3.00%	

Market Commentary

• Euro zone factories enjoy solid start to 2014, France lags again -PMI

Euro zone factories enjoyed their strongest month since mid-2011 in January as new orders flooded in, prompting them to take on new staff for the first time in two years, business surveys showed.

• China drags on otherwise buoyant Asia factory sector

Asian manufacturing outside China showed signs of solid expansion in January as order books swelled, but factories in the region's giant struggled for growth, heightening concerns about an economic slowdown.

• Smith & Nephew buys sports medicine firm ArthroCare for \$1.7 bln

Artificial knee and hip maker Smith & Nephew said it had agreed to buy medical devices company ArthroCare Corp for \$1.7 billion in cash to strengthen its sports medicine business.

• Julius Baer misses profit views as U.S. tax probe costs weigh

Julius Baer has suffered a double blow as yearly earnings fell short of expectations and clients transferring from recently acquired Merrill funds were set to reach only the low end of its target range.

U.S. markets opened flat, while **Canada's main stock index** pointed lower at the open as strains in emerging markets show little sign of abating and data showed China's economy is losing momentum. Producer price index, raw material prices and RBC manufacturing PMI are on the economic calendar. **European shares** fell and **Asian stocks** ended lower with Japan's **Nikkei index** slipping to fresh 2-1/2 month lows. In the currency market, the **euro** slipped to a 10-week low against the **dollar**. Crude opened steady and **gold** saw a modest increase.

• **TransCanada Corp** (TRP). Replacing the Keystone XL pipeline with oil-laden freight trains from Canada may result in an average of six additional rail-related deaths per year, according to a U.S. State Department report that is adding to pressure for President Barack Obama to approve the line. The long-awaited study, released on Friday, focused on the environmental impact of TransCanada's \$5.4 billion pipeline, but also spent several pages analyzing the potential human impact of various ways to transport oil, using historical injury and fatality statistics for railways and oil pipelines.

ANALYSTS' RECOMMENDATIONS

- **Cascades Inc** (CAS). National Bank Financial raises price target to C\$8 from C\$7.50 based on positive momentum as it relates to pricing and costing
- **DeeThree Exploration Ltd** (DTX). National Bank Financial starts with outperform rating and price target of C\$11.50, believes the current valuation is reflective of top-tier growth metrics to date and go-forward targets
- **TMX Group Ltd** (X). National Bank Financial raises price target to C\$49 from C\$48 to reflect higher-than-expected secondary financings during the fourth quarter

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