



Market Summary

DOW	17538.42	+177.38	PEYTO ENERGY	34.48	+98	POLARIS	2.15	--
TSE	15079.79	+179.32	WESTERN FOREST	2.60	+03	CANADIAN \$	0.7983	+0024
S&P	2038.05	+17.20	CATALYST	6.19	--	EURO	1.1446	+0106
NASDAQ	4699.40	+22.71	CANFOR	30.78	+21	COPPER	2.55	+06
TSX VENTURE	689.88	+4.63	REDSTAR GOLD	0.04	--	BRENT CRUDE	55.96	+1.21
SILVER	17.28	+03	LUMBER	312.20	--	NATURAL GAS	2.66	-.02
GOLD	1265.70	-11.20	FIRST MAJESTIC	7.68	-.32	PRIME RATE	2.85%	

Market Commentary

- **Greece outlines debt "menu" in bid to win over sceptical euro zone**

Greece's new government dropped calls for a write-off of its foreign debt and proposed ending a standoff with its official creditors by swapping the debt for growth-linked bonds on Monday, a week after its election on an anti-austerity platform.

- **Apple to invest \$2 bln to convert sapphire plant to data center**

Apple Inc said it plans to invest \$2 billion to convert a failed sapphire glass plant in Arizona into a data center.

- **Nunavut premier plays down tax break talk as commodities slide**

The premier of Canada's vast mineral-rich Arctic territory of Nunavut on Monday played down the idea of tax breaks to combat a slide in commodity prices, saying investors instead wanted more infrastructure.

- **Another Central Bank surprises with a rate cut**

The Australian Central Bank lower rates 25 basis points to 2.25%, an all time low after holding steady for 18 months

- **US Automakers post strong sales**

Ford rose 15.6% versus forecasts of 12.8% meanwhile Fiat saw sales rise 14% versus expectations of 13.8%

- **Calgary's housing market slumps as oil's fall takes a toll**

Only a month after predicting that home prices in the region would be stable in 2015, the Calgary Real Estate Board admitted that low oil prices and fears over the fate of the region's fragile economy have hammered consumer confidence. Home sales plunged 35 per cent in January to their lowest levels in more than seven years while new listings shot up 40 per cent.

- **Office Depot jumped 17 per cent after the Wall Street Journal reported the company is in advanced merger talks with Staples. Staples rose 10 per cent.**

Canada's main stock index opened sharply higher as oil prices continued their upward trend after gaining more than 11 percent in the prior two sessions. Markets will watch for corporate results from TMX Group which is scheduled to report quarterly results after the closing bell, and for December producer prices data. Reversing previous session's rally, **U.S. stock index futures** pointed to a mixed open. **European shares** advanced after the new Greek government dropped calls for a write-off of its foreign debt. **Asian markets** closed mixed. **Oil** rose, supported by BP's capital expenditure cuts and **gold** traded higher.

- **Cliffs Natural Resources Inc (CLF).** The miner reported a 26 percent jump in quarterly iron-ore sales volumes and lower production costs in the United States as it continued to cut jobs and related expenses. U.S. iron ore pellet sales volume increased to 7.8 million tons for the fourth quarter, while cash production costs for iron ore fell 5 percent to \$59.06 per ton.

Cliffs took an impairment charge of \$1.2 billion, partly related to the exit from Canada, leading to a fourth-quarter loss of \$1.26 billion, compared with a profit of \$30.5 million a year earlier. Revenue fell nearly 15 percent to \$1.28 billion.

- **WestJet Airlines Ltd (WJA).** The airline reported a 34 percent rise in quarterly profit, helped by lower fuel costs and higher revenue passenger miles. The airline's costs per available seat mile declined 3.5 percent in the fourth quarter as its fuel costs fell 6.4 percent. Net profit rose to C\$90.7 million, or 70 Canadian cents per share, in the quarter ended Dec. 31 from C\$67.8 million, or 52 Canadian cents per share, a year earlier. Total revenue rose 7.3 percent to C\$994.4 million. WestJet also raised its quarterly dividend to 14 Canadian cents per share from 12 Canadian cents.

- **Agnico Eagle Mines Ltd (AEM).** The premier of Canada's vast mineral-rich Arctic territory of Nunavut on Monday played down the idea of tax breaks to combat a slide in commodity prices, saying investors instead wanted more infrastructure. These include the company which runs the territory's only gold mine. ArcelorMittal SA owns half of Baffinland, a Canadian mining company that plans to exploit the huge Mary River iron ore deposit on Baffin Island. Peter Taptuna said in an interview

that the slump had hurt the economy and that he was keeping an eye on the handful of major companies that are operating in Nunavut, which is rich in gold, diamonds, iron ore, lead, zinc and uranium.

ANALYSTS' RECOMMENDATION

- **Baytex Energy** (BTE). RBC cut price target to C\$30 from C\$33 saying that while company is well established in production and development, oil prices, discount rates, and regulatory risks can affect price target.
- **Chorus Aviation Inc** (CHRb). CIBC raises rating to sector performer from sector underperformer citing company's simpler operating model and more clarity on dividends.
- **MEG Energy** (MEG). RBC cuts price target to C\$31 from C\$34 considering company to be an early-stage oil sands development company with possible risk factors for projects under regulatory process.
- **Twin Butte Energy** (TBE). RBC cuts price target to C\$1.25 from C\$1.50 stating that company is exposed to comparable risk relative to its peer group with respect to technology, project execution, financing, and regulatory approvals for future stages of growth.

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