



Market Summary

DOW	17666.82	+0.42	PEYTO ENERGY	33.74	-.41	POLARIS	2.13	--
TSE	14992.66	-70.22	WESTERN FOREST	2.51	--	CANADIAN \$	0.8008	-.0044
S&P	2042.89	-7.14	CATALYST	6.19	--	EURO	1.11415	-.0064
NASDAQ	4707.11	-20.03	CANFOR	30.68	+96	COPPER	2.58	--
TSX VENTURE	692.05	-0.27	REDSTAR GOLD	0.04	--	BRENT CRUDE	56.34	-1.57
SILVER	17.38	+0.06	LUMBER	313.70	--	NATURAL GAS	2.71	-.04
GOLD	1266.10	+5.80	FIRST MAJESTIC	7.79	+1.10	PRIME RATE	2.85%	

Market Commentary

- **Merck issues cautious 2015 forecast, citing dollar**

Merck & Co reported slightly disappointing fourth quarter sales and predicted 2015 earnings below analyst forecasts, citing the negative impact of the stronger dollar, as most of its U.S. rivals have done in making their own cautious forecasts.

- **Staples to buy Office Depot for \$6.3 bln**

Staples Inc, the No. 1 U.S. office supplier, said it would buy its nearest rival Office Depot Inc in a \$6.3 billion cash-and-stock deal.

- **GM reports much higher-than-expected fourth-quarter profit**

General Motors Co posted fourth-quarter earnings far above analysts' expectations even as recall costs hit North American profit margins.

Canada's TSX opened lower as oil prices declined after rising in the past few days. Ivey PMI data for January is on the economic radar. Amid mixed corporate results, **U.S. stock indexes** briefly paired previous session's gains before trading flat. The **US dollar** steadied after its worst day in more than a year. **European markets** were lower, while **Asian markets** were mixed. A report from the industry group American Petroleum Institute showed **U.S. crude** stocks rose more than 6 million barrels last week, pushed oil lower as we awaiting an inventory report at 7:30 AM. **Gold** rose after China's monetary move to boost liquidity and help combat slow growth.

- **Intact Financial Corp (IFC)**. The property and casualty insurer, reported a near-doubling in quarterly profit, boosted by strong growth in underwriting income. Its net income rose to C\$205 million, or C\$1.52 per share, in the fourth quarter, from C\$107 million, or 77 Canadian cents per share, a year earlier. Net operating income rose 73 percent to C\$247 million, or C\$1.84 per share.

- **Fairfax Financial Holdings Ltd (FFH)**. The financial services holding company said on Tuesday it has agreed to acquire the Ukrainian insurance operations of Australia's **QBE Insurance Group**, expanding its presence in Eastern Europe. Fairfax expects the deal to close in the second-quarter of 2015. It did not disclose a purchase price for the asset.

- **Bank of Montreal (BMO)**. The bank has launched a new way for investors to buy physical gold, offering greater security than private storage while going head to head with the \$60 billion exchange-traded fund industry. The first of its kind in the United States, the Canadian bank's new gold deposit receipt program allows investors to buy and sell shares that are backed by physical bullion stored in Canada and which track the price of spot gold. The product is aimed at four types of investor - private ones that store their bullion in vaults, broker dealers, investment advisors as well as existing users of ETFs.

ANALYSTS' RECOMMENDATION

- **Agnico Eagle Mines Ltd (AEM)**. NBF raises price target to C\$44 from C\$37 saying that company is positioned for increased production at La Ronde in fourth quarter.

- **Brookfield Infrastructure (BIP_u)**. Barclays raised target to C\$62 from C\$50 considering management's strategic decisions on two identified non-core assets for disposition and the recycling of capital.

- **Kinross Gold Corp (K)**. NBF raises price target to C\$5.10 from C\$4.25 citing company's clarity on Tasiast expansion path forward.

- **Sandstorm Gold (SSL)**. NBF raised target to C\$5.50 from C\$4.25 stating that company's Santa Elena underground project will positively impact operating cash flow in the first half of 2015.

• **Yamana Gold Inc (YRI)**. Canaccord Genuity cut target price to C\$8.25 from C\$9.50 saying that company's copper hedging program should help protect it under most near-term downside scenarios for gold and copper.

Morning Newsletter data source courtesy of



thomsonreuters.com

Visit www.mgardner.ca or email mgardner@globalsec.com for more information.

The information contained herein is drawn from sources believed to be reliable, but the accuracy or completeness is neither warranted nor guaranteed, nor in providing it does Global Securities Corporation assume any responsibility or liability therefore. This publication is not, nor is it to be construed as, a solicitation or a recommendation to a specific investor to purchase or sell any of the securities referred to herein. This publication is intended for distribution only in those jurisdictions where Global Securities Corporation is registered to trade securities, and may not be reproduced in whole or in part without the prior written consent of Global Securities Corporation. Copyright 2012 Global Securities Corporation. All rights reserved. Global Securities Corporation Member - Canadian Investor Protection Fund.