



Market Summary

DOW	17933.15	+48.37	PEYTO ENERGY	34.51	+0.76	POLARIS	2.20	+0.05
TSE	15199.39	+74.47	WESTERN FOREST	2.66	+0.04	CANADIAN \$	0.8017	-0.0024
S&P	2066.48	+3.95	CATALYST	6.45	--	EURO	1.1322	-0.0153
NASDAQ	4776.74	+11.44	CANFOR	29.95	+1.13	COPPER	2.59	-0.01
TSX VENTURE	692.96	-0.97	REDSTAR GOLD	0.035	--	BRENT CRUDE	58.04	+1.46
SILVER	16.89	-0.31	LUMBER	315.00	--	NATURAL GAS	2.62	+0.02
GOLD	1241.10	-21.60	FIRST MAJESTIC	7.65	-0.20	PRIME RATE	2.85%	

Market Commentary

US employment jumps and hourly wages rise the most since 2008

U.S. job growth rose solidly in January and wages rebounded strongly, a show of underlying strength in the economy that puts a mid-year interest rate increase from the Federal Reserve back on the table. Nonfarm payrolls increased 257,000 last month, the Labor Department said on Friday. Data for November and December was revised to show a whopping 147,000 more jobs created than previously reported, bolstering views consumers will have enough muscle to carry the economy through rough seas. At 423,000, November's payroll gains were the largest since May 2010, when employment was boosted by government hiring for the population count. While the unemployment rate rose one-tenth of a percentage point to 5.7 percent, that was because the labor force increased, a sign of confidence in the jobs market. U.S. job growth rose solidly in January and wages rebounded strongly, a show of underlying strength in the economy that puts a mid-year interest rate increase from the Federal Reserve back on the table. While the unemployment rate rose one-tenth of a percentage point to 5.7 percent, that was because the labor force increased, a sign of confidence in the jobs market.

Jobless rate dips to 6.6% in January as Canada pumps out 35,000 jobs

The Canadian economy created 35,400 jobs last month as the number of part-time positions grew.

The country's unemployment rate fell to 6.6 per cent in January from 6.7 per cent a month earlier, Statistics Canada said Friday. The gains were larger than expected. Economists had forecast 5,000 new jobs in the month and the jobless rate at 6.7 per cent. Last month's job gains came as part-time work rose by 47,000 while full-time jobs were little changed.

The numbers come after Statscan recently revised its estimates for job growth in 2014. Employment gains were the slowest since 2009 last year, at 121,000, a third lower than the originally estimated increase of 186,000.

• Communications gear maker Harris to buy defense contractor Exelis

Communications equipment maker Harris Corp said it would buy defense contractor Exelis Inc XLS.N in a cash-and-stock deal valued at about \$4.75 billion.

• Verizon to sell wireline operations, towers worth \$15.6 bln

Verizon Communications said it would sell wireline assets to Frontier Communications for \$10.54 billion in cash.

TSX opened higher lead by financials and energy stocks as investors digest Canadian employment data and U.S. payrolls data. U.S. stock indexes pointed higher also. European markets declined, while Asian shares closed mixed. Oil jumped, on track for its second weekly increase and gold fell on a strong US dollar, set to post its biggest weekly loss in almost two months.

• **Gluskin Sheff + Associates Inc (GS)**. The asset manager reported on Thursday a 55 percent drop in quarterly profit on a sharp decline in performance fees. Net income fell to C\$27.2 million, or 86 Canadian cents per share, in the quarter ended Dec. 31, compared with C\$60.4 million, or C\$2.05 per share, in the year ago period. It separately said it would issue a special dividend of 60 Canadian cents per share, related to performance fees earned during the six-month period ended Dec. 31. The special dividend will be paid on Feb. 27, along with the regular quarterly dividend of 22.5 Canadian cents per share. Revenue slid to C\$69.3 million from C\$120.9 million.

• **BlackBerry Ltd (BB)**. The U.S. SEC is investigating a January 14 spike in trading in the company's options that took place hours before Reuters reported that Samsung Electronics Co was in talks to buy the Canadian smartphone maker, according to a person familiar with the investigation. One trade the SEC is looking at took place at 12:06 p.m. on that day, when there was a purchase of options with the rights to buy 200,000 shares of BlackBerry stock at a strike price of \$10 a share, the person said. The call options, which expired on January 23, were purchased for 10 cents in the trade.

• **Royal Bank of Canada** (RY). and **Canadian Imperial Bank of Commerce** (CM). The two Canadian banks looked at buying U.S. lender Boston Private Bank & Trust Co, WSJ reported, citing people familiar with the matter. RBC was in talks last month to buy Boston Private, before it reached a deal to acquire another U.S.-based lender, the Journal said, citing two people. One of the people said RBC ultimately decided that Boston Private wasn't a good fit because it wanted a wealth management platform and not a private banking platform, the Journal said.

ANALYSTS' RECOMMENDATION

- **BCE Inc** (BCE). CIBC raises target price to C\$58 from C\$50 after the company reported solid fourth-quarter results.
- **Canfor Pulp Products Inc** (CFX). CIBC raises price target to C\$20 from C\$17.50 as the company reported fourth quarter results better than the previous year.
- **Firstservice Corp** (FSV). CIBC raises target price to C\$73 from C\$62 on the back of solid fourth-quarter industry volumes.
- **Perpetual Energy Inc** (PMT). CIBC raises target price to C\$1 from C\$0.85 after the company has announced 2014 year-end reserves.

Morning Newsletter data source courtesy of



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