



## Market Summary

DOW	17787.97	-36.32	PEYTO ENERGY	33.82	+07	POLARIS	2.28	+03
TSE	15142.11	+58.19	WESTERN FOREST	2.65	-.04	CANADIAN \$	0.8032	+0051
S&P	2050.23	-5.24	CATALYST	6.45	--	EURO	1.1329	+0016
NASDAQ	4742.60	-1.80	CANFOR	30.46	+34	COPPER	2.58	-.01
TSX VENTURE	694.77	+1.33	REDSTAR GOLD	0.04	--	BRENT CRUDE	58.47	+67
SILVER	17.01	+32	LUMBER	315.50	--	NATURAL GAS	2.60	+02
GOLD	1238.40	+3.80	FIRST MAJESTIC	7.69	+08	PRIME RATE	2.85%	

## Market Commentary

### • G20 INTERVIEW-Canada calls for compromise over Greek debt situation

Canadian Finance Minister Joe Oliver called for compromise over Greece's debt, telling Reuters that while Athens must not make a wholesale repudiation of its debt, its creditors also needed to work with it to arrive at a compromise solution.

### • Diamond Offshore revenue falls, scraps special dividend

Rig contractor Diamond Offshore Drilling Inc reported a 7 percent drop in quarterly revenue as demand dropped due to weak oil prices, and said it would not pay a special dividend as it had been doing since 2006.

### • Oil climbs as OPEC raises demand forecast for its crude

Brent crude prices rose above \$58 a barrel on Monday after OPEC forecast demand for its oil would be greater than expected in 2015 and the number of U.S. oil rigs hit a three-year low.

The Organization of the Petroleum Exporting Countries (OPEC) forecast demand for the cartel's oil will average 29.21 million barrels per day (bpd) in 2015, up 430,000 bpd from its previous forecast.

In a monthly report issued on Monday, OPEC also slashed its forecast for the rate of growth in non-OPEC supply, citing a slowdown in the U.S. shale boom and lower capital investment by energy firms.

The number of rigs drilling for oil in the United States fell to 1,140 last week, the lowest since December 2011, as producers feel the pressure of low oil prices, which have tumbled more than 50 per cent since June.

### • Canadian housing starts gain in January

Canadian housing starts unexpectedly rose in January, though the longer-term trend measure of new construction edged down, data showed on Monday.

A report from the Canadian Mortgage and Housing Corp showed the seasonally adjusted annualized rate of housing starts rose to 187,276 units last month from a downwardly revised 179,637 in December. That surpassed the 178,000 economists had expected.

**TSX** opened slightly higher lead by banks and commodity stocks despite Chinese trade data showed exports and imports tumbled more than expected. Signs of increasingly fraught relations between Greece and its international creditors also inflamed market tensions. Housing starts data is on the economic calendar. **U.S. stock indexes** slipped, tracking losses in Europe and Asia. **Brent crude** steadied over \$58 a barrel as falling oil rig counts and signs of healthy U.S. growth, and **gold** advanced.

• **Cameco Corp** (CCO). The Canadian uranium producer reported on Friday a 14 percent increase in quarterly earnings, helped by higher uranium prices. Cameco's average realized uranium price rose 6 percent to \$50.57 per lb in the quarter. The company expects uranium sales to range from 31 million to 33 million lbs in 2015, compared with 33.9 million lbs produced in 2014. This would lead to a fall in overall revenue of up to 5 percent. Adjusted earnings were 52 Canadian cents a share, above analysts' average estimate of 29 Canadian cents a share.

• **Tahoe Resources Inc** (THO). The Canadian gold miner said it has agreed to acquire smaller rival **Rio Alto Mining** (RIO) in a cash and share deal valued at C\$1.4 billion, in a bid to expand its presence in Latin America. Tahoe said its offer values Rio Alto at C\$4 a share, a 22.1 percent premium to Rio Alto's closing price of C\$3.28 a share on Friday on the Toronto Stock Exchange.

• **Husky Energy** (HSE). The United Steelworkers union said on Saturday the strike by U.S. refinery workers is expanding to two more plants early on Sunday due to unfair labor practices by oil companies. Walk-outs at BP Plc's Whiting, Indiana, refinery and its joint-venture refinery with the company in Toledo, Ohio, shortly after 12 a.m. local time on Sunday would bring the number of plants with striking hourly workers to 11, including nine refineries accounting for 13 percent of U.S. refining capacity.

- **Gran Tierra Energy Inc (GTE)**. The oil and gas producer more than halved its 2015 capex budget and cut its production forecast for the year following the sharp decline in oil prices. Gran Tierra slashed its 2015 capital budget to \$140 million from \$310 million and cut production forecast for the year to 21,500-22,500 barrels of oil equivalent per day from its earlier forecast of 26,000 to 27,000 boepd. The company will continually review the capital program for additional future reductions and it is also reviewing its entire exploration portfolio with an emphasis on reducing both its risk profile and capital exposure, Gran Tierra said.

#### **ANALYSTS' RECOMMENDATION**

- **Canaccord Genuity Group Inc (CF)**. KBW cuts target price to C\$7 from C\$7.5 saying that company missed analyst estimates primarily on lower-than-expected investment banking and advisory fees.
- **Input Capital Corp (INP)**. Canaccord Genuity raises price target to C\$3.75 from C\$3.50, saying that the company has reached an inflection point with the deployment of C\$17 million in the last quarter, which was predominantly deployed in December.

Morning Newsletter data source courtesy of



[thomsonreuters.com](http://thomsonreuters.com)

Visit [www.mgardner.ca](http://www.mgardner.ca) or email [mgardner@globalsec.com](mailto: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.*