



Market Summary

DOW	15947.22	-47.33	PEYTO ENERGY	33.66	+18	POLARIS	2.39	-.07
TSE	13898.94	+17.95	WESTERN FOREST	2.58	-.02	CANADIAN \$	0.9089	+0.0005
S&P	1818.14	-1.61	CATALYST	2.20	--	EURO	1.3588	-.0059
NASDAQ	4195.53	+4.48	CANFOR	29.55	-.26	COPPER	3.26	+0.04
TSX VENTURE	982.49	+2.25	REDSTAR GOLD	0.06	--	CRUDE OIL	100.34	+0.40
SILVER	20.21	+0.06	LUMBER	354.20	-4.80	NATURAL GAS	4.56	-.01
GOLD	1291.40	+1.60	TIM HORTON'S	57.57	-.24	PRIME RATE	3.00%	

Market Commentary

- **Bank of England hints at 2015 rate rise, slack in economy to be focus**

The Bank of England hinted that interest rates may need to rise in just over a year after it sharply revised up its forecasts for economic growth over the next three years.

- **Strong China January trade data sparks cheers, doubts**

China surprised markets with a thumping trade performance in January as import growth hit a six-month high, drawing some scepticism about the data but still allaying fears of a deepening economic malaise.

- **Yellen stays the course, says Fed to keep trimming stimulus**

Janet Yellen, fresh from taking the helm of the Federal Reserve, made it clear on Tuesday she would not make any abrupt changes to U.S. monetary policy, saying the central bank was on track to keep reducing its stimulus even though the labor market recovery was far from complete.

Optimism about a U.S. House deal to extend the federal borrowing authority coupled with the Federal Reserve Chair Janet Yellen's assurance to hold off making any changes to the monetary stimulus pushed **Canada's main stock index** higher. **Wall Street** opened slightly positive but since moved lower. **European shares** edged higher and **Asian stocks** rose, boosted by upbeat trade data from China. The growth-linked **Australian** and **New Zealand dollars** hit one-month highs and the **U.S. dollar** held steady. **Oil** traded higher, while **gold** inched up to its highest in three months.

- **Acadian Timber Corp (ADN)**. The company reported fourth-quarter earnings of 20 Canadian cents per share compared with 23 Canadian cents per share in the same quarter a year ago. Net sales increased to C\$21.8 million from C\$18.41 million a year earlier.

- **Air Canada (ACb)**. The carrier reported a smaller quarterly net loss, helped by lower expenses. Its net loss in the fourth-quarter narrowed to 2 Canadian cents per share from 22 Canadian cents per share, a year earlier. Excluding items, it earned 1 Canadian cent per share.

- **Brookfield Residential (BRP)**. The company posted fourth-quarter net income of 67 cents per share compared with 52 cents share in the comparable quarter. Total revenue fell to \$555 million from \$715 million.

- **Husky Energy Inc (HSE)**. The integrated oil producer posted a better-than-expected fourth-quarter profit, helped by an 11 percent rise in U.S. crude prices. Adjusted earnings fell 15 percent to 42 Canadian cents per share, but beat the average analyst estimate of 38 Canadian cents per share.

- **Talisman Energy Inc (TLM)**. The independent oil and gas producer posted a \$1 billion quarterly loss as it recorded a \$826 million impairment charge. Its loss was 98 cents per share, in the fourth-quarter, compared with a profit of 37 cents, a year earlier. Separately, it said it aims to sell a further \$2 billion of assets over the next 12-18 months.

- **Thomson Reuters Corp (TRI)**. The global news and information provider reported a 50 percent drop in operating profit in the fourth-quarter and CEO Jim Smith said the external environment was tougher than expected. The company also said it expected 2014 revenue to be comparable to results in 2013. Revenue, excluding divestitures and currency changes, rose 2 percent in 2013.

- **Toronto-Dominion Bank (TD)**. The Federal Reserve added TD Securities, the broker-dealer unit of the bank, to its list of primary dealers, bringing to 22 firms the number of firms that can do business directly with the U.S. central bank, the New York Federal Reserve said on Tuesday. Along with TD Securities, the U.S. units of three other Canadian banks - **Bank of Nova Scotia (BNS)**, **BMO Capital Markets Corp (BMO)** and **RBC Capital Markets (RY)** - are among firms that are allowed to participate in the Fed's open market operations and U.S. government bond auctions.

ANALYSTS' RECOMMENDATIONS

- **CAE Inc** (CAE). CIBC raises target price to C\$16.25 from C\$13 based on better margins in the company's third-quarter results, sees earnings growth in the period ahead
- **Kelt Exploration Ltd** (KEL). CIBC raises target price to C\$13.25 from C\$13 citing strong reserves growth

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