



Market Summary

DOW	15944.26	-19.68	PEYTO ENERGY	34.90	+1.30	POLARIS	2.44	+0.01
TSE	13914.84	+14.35	WESTERN FOREST	2.58	+0.01	CANADIAN \$	0.9096	+0.0005
S&P	1816.26	-3.06	CATALYST	2.25	+0.05	EURO	1.3668	+0.0076
NASDAQ	4206.70	+5.41	CANFOR	29.98	+0.29	COPPER	3.23	-0.03
TSX VENTURE	978.40	-3.33	REDSTAR GOLD	0.06	--	CRUDE OIL	99.72	-0.20
SILVER	20.32	-0.02	LUMBER	361.00	--	NATURAL GAS	4.57	+0.02
GOLD	1296.50	+1.50	TIM HORTON'S	57.48	-0.03	PRIME RATE	3.00%	

Market Commentary

• Italian Government in crisis as PM Letta fights calls to go

Italian Prime Minister Enrico Letta faces a showdown with his own centre-left party that could lead to his resignation and the appointment of Democratic Party leader Matteo Renzi as head of a new government within days.

• Big takeover today!

\$45 billion worth of big. The two largest cable companies in the U.S. have agreed to combine in an all-stock transaction, with Comcast acquiring Time Warner Cable. Doing the math off yesterday's closing price for Comcast, the deal values TWC shares at some \$158.82 - a 17% premium to its last close. TWC shares are surging in the pre-market. \$45.2 billion.

TSX opened sharply lower as a fresh crisis in the Italian government coupled with disappointing European corporate results hit investor sentiment, but has since fully recovered and is up now. Goldcorp, Telus and Enbridge are scheduled to report their quarterly earnings later in the day. On the economic front, new housing data is scheduled for release. **Wall Street** also fell hard and recovered. **European shares** traded down and **Asian markets** ended negative, with **Japan's Nikkei index** losing 1.8 percent. **Oil** was down and **gold** hovered below a three-month high, struggling to break above \$1,300 an ounce.

• **Agnico-Eagle Mines Ltd (AEM)**. The miner slashed its quarterly dividend to 8 cents per share from 22 cents, saying the reduction reflects current market conditions as gold is trading about \$100 per ounce lower than its realized price in 2013. It reported better-than-expected fourth-quarter results as its total gold production increased about 36 percent. Excluding items, adjusted net income for the quarter was \$44.2 million, or 25 cents per share, compared with analysts' average estimate of earnings of 19 cents per share.

• **Barrick Gold Corp (ABX)**. The gold miner reported a big fourth-quarter loss as it took another impairment charge, cut its gold reserve estimate by 26 percent and said a key cost measure might rise this year. It slashed estimated gold reserves to 104.1 million ounces from 140.2 million ounces a year earlier. About half the decline came because Barrick used a lower gold price assumption of \$1,100 an ounce, down from \$1,500. The company said its net loss had narrowed to \$2.83 billion, or \$2.61 a share, from \$3.01 billion, or \$3.01 a share, a year earlier, when it also took a large impairment charge.

• **Birchcliff Energy Ltd (BIR)**. The company posted fourth-quarter net income of 25 Canadian cents compared with 4 Canadian cents in the comparable quarter a year ago. Petroleum and natural gas revenue increased to C\$89.1 million from C\$78.0 million.

• **Bombardier Inc (BBDb)**. The plane and train maker reported a quarterly profit on Thursday and said the initial ground and flight test performance results of its CSeries' aircraft program were in line with its expectations. It reported net income \$97 million, or 5 cents per share, for the fourth quarter, compared with a loss of \$4 million, or 1 cent per share, a year earlier. Separately, Thai low-cost carrier Nok Airlines Pcl confirmed options for two Q4 100 aircraft from the company and is looking to confirm two more.

• **Canacol Energy Ltd (CNE)**. The company reported a second-quarter net loss of 12 cents per share compared with earnings of 3 cents per share, a year earlier. Petroleum and natural gas revenue net of royalties rose to \$42.2 million from \$26.2 million.

• **Cenovus Energy Inc (CVE)**. The oil and gas producer reported a smaller fourth-quarter net loss, helped by higher production at its Christina Lake oil sands project in northern Alberta. Its net loss narrowed to C\$58 million, or 8 Canadian cents per share, from C\$117 million, or 15 Canadian cents per share, a year earlier. Operating profit, which excludes most one-time items, was C\$212 million, or 28 Canadian cents per share.

• **Encana Corp (ECA)**. The natural gas producer reported a smaller-than-expected fall in quarterly operating profit as it

ramped up production of liquids such as light oil and condensate. Excluding most one-time items, it posted an operating profit of 31 cents per share down from 40 cents per share, a year earlier. Analysts on average had expected the company to report operating profit of 20 cents per share.

- **Home Capital Group (HCG)**. The mortgage lender said on Wednesday it would split its stock and reported a 17 percent rise in fourth-quarter profit and a 14 percent dividend rise. It earned C\$1.97 a share, in the quarter, up from C\$1.70 a share, in the year-ago period. Analysts had expected a profit of C\$1.90 a share.
- **Kinross Gold Corp (K)**. The miner said on Wednesday that a "rigorous" review of its mine plans led to slashing its gold reserves by a third, even as it reported a narrower fourth-quarter net loss compared to the same period last year. Adjusted for various items, it reported a loss of \$25.1 million, or 2 cents a share, mainly due to a weaker gold price, higher production costs and depreciation. Analysts, on average, expected earnings of 3 cents a share. It also said its store of unmined gold stood at 39.7 million ounces of gold at the end of 2013, down 33 percent from at the end of 2012.
- **Manulife Financial Corp (MFC)**. The life insurer reported a 20 percent rise in fourth-quarter profit as it booked a C\$350 million gain on the sale of its Taiwan insurance business last year. It said net income attributed to shareholders was C\$1.3 billion, or 68 Canadian cents a share, compared with C\$1.1 billion, or 57 Canadian cents a share, a year earlier. The average analyst estimate for core profit was 38 Canadian cents a share.
- **Mullen Group Ltd (MTL)**. The company posted fourth-quarter adjusted earnings of 35 Canadian cents per share, up from 34 Canadian cents per share, in the comparable quarter, a year earlier. Revenue came in at C\$367.4 million, up from C\$346.1 million.
- **Redknee Solutions Inc (RKN)**. The company posted a wider first-quarter loss of 3 cents per share, compared with 2 cents per share, a year earlier. Revenue came in at \$60.4 million, up from \$14.2 million.
- **Student Transportation Inc (STB)**. The company reported a second-quarter loss of 4 cents per share, unchanged from the comparable quarter, a year earlier. It reported revenue of \$135.5 million compared with \$119.4 million.
- **Sun Life Financial Inc (SLF)**. The life insurer reported better-than-expected quarterly profit on Wednesday, helped by higher assets under management and a C\$290 million gain related to the restructuring of internal reinsurance arrangements. On a continuing operations basis, which excludes losses from its sale of its U.S. annuities business last year, operating income was C\$1.05 a share, up from 56 Canadian cents a share a year earlier. That topped the profit of 68 Canadian cents a share expected by analysts.
- **Teck Resources Ltd (TCKb)**. The diversified miner reported a 45 percent drop in quarterly adjusted profit, hurt by lower prices of coal and copper. On an adjusted basis, the company earned C\$227 million, or 40 Canadian cents per share, in the fourth quarter. Earnings attributable to shareholders rose to C\$232 million, or 40 Canadian cents per share, from C\$200 million, or 34 Canadian cents per share, a year earlier.
- **Turquoise Hill Resources (TRQ)**. The company said year to date sales volume from its Oyu Tolgoi copper and gold mine in Mongolia has fallen short of expectations, citing post-commissioning issues. It said it is targeting a production of 150,000 tonnes to 175,000 tonnes of copper and 700,000 to 750,000 ounces of gold in concentrates from Oyu Tolgoi in 2014. The mine produced 76,700 tonnes of copper and 157,000 ounces of gold in concentrates in 2013.

ANALYSTS' RECOMMENDATIONS

- **Birchcliff Energy Ltd (BIR)**. CIBC raises target price to C\$11.75 from C\$10.25 based on strong resource growth in the fourth quarter
- **Bonterra Energy Corp (BNE)**. CIBC raises target price to C\$63 from C\$62.50, on the company's strong fourth-quarter production results and solid reserve additions
- **FirstService Corp (FSV)**. CIBC raises target price to C\$56 from C\$50, says the company's fourth-quarter results were strong, with revenues and adjusted EPS beating estimates
- **Sun Life Financial Inc (SLF)**. CIBC raises price target to C\$40 from C\$39 on the company's better-than-expected fourth-quarter results
- **Thomson Reuters Corp (TRI)**. CIBC cuts target price to \$35 from \$37 citing the company's messy fourth-quarter results and weak 2014 outlook

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