



Market Summary

DOW	16171.19	+37.96	PEYTO ENERGY	35.30	-.03	POLARIS	2.46	-.02
TSE	14235.14	+24.77	WESTERN FOREST	2.64	+0.03	CANADIAN \$	0.8978	-.0031
S&P	1844.69	+4.91	CATALYST	2.78	+0.28	EURO	1.3745	+0.0028
NASDAQ	4282.59	+15.04	CANFOR	29.78	+0.06	COPPER	3.26	--
TSX VENTURE	1019.27	+4.34	REDSTAR GOLD	0.06	--	CRUDE OIL	102.20	-.55
SILVER	21.77	+0.05	LUMBER	364.60	+7.90	NATURAL GAS	4.92	+0.07
GOLD	1322.60	+5.70	TIM HORTON'S	58.49	-.49	PRIME RATE	3.00%	

Market Commentary

- **World risks era of slow growth, high unemployment-OECD**

Sweeping reforms are urgently needed to boost productivity and lower barriers to trade if the world is to avoid a new era of slow growth and stubbornly high unemployment, the OECD warned.

- **Dish profit rises 38 pct on pay-tv subscriber additions**

Dish Network Corp, the second-largest U.S. satellite TV company after DirecTV, reported a 38 percent rise in profit for the fourth quarter as it added a net 8,000 pay-TV subscribers.

- **First Quantum profit down even as output rises, costs fall**

The base metal miner reported lower fourth-quarter earnings on Thursday due to weaker metals prices despite an increase in production and lower production costs.

- **RBS to shed up to 30,000 jobs, shrink investment bank -sources**

Royal Bank of Scotland is to shrink its investment banking and international operations in a revamp in which the group could shed up to a quarter of its 120,000 workforce, sources familiar with the matter said.

TSX opened higher after a reading on U.S. manufacturing that hit its highest in nearly four years underpinned hopes for sustained economic strengthening. Gross domestic product data is on the economic calendar. Canada's closely watched inflation rate is expected to climb a notch in January to 1.3 percent annually from 1.2 percent. **Wall Street** saw a weak open but eventually gained. **European shares** edged higher with France's **CAC 40** hitting 5-1/2 year high. The **dollar** rose against a basket of currencies, while an unexpected drop in Swedish consumer confidence knocked the **crown** to a two-month low against the **euro**. **Brent crude** slipped but remained on course for its highest weekly close this year, as supply disruptions in Africa tighten the market while gold rose modestly as demand remains strong for physical gold and the US dollar eases.

- **Agrium Inc (AGU)**. The Canadian fertilizer company reported a 72 percent decline in quarterly profit on Thursday as crop nutrient prices fell and nitrogen sales volumes weakened. Net earnings for fourth-quarter fell to 66 cents per share from \$2.34 per share, a year ago. Analysts on average had expected earnings of 86 cents a share. Revenue dipped 7 percent to \$2.9 billion versus expectations for \$2.975 billion. Retail sales to farmers, which include fertilizer, seed and chemicals, climbed 6 percent to \$2.1 billion.

- **Capstone Mining Corp (CS)**. The company posted fourth-quarter revenue of \$136.8 million, up from \$72.5 million in the comparable quarter a year ago. Adjusted earnings fell to 2 cents per share from 5 cents per share.

- **Element Financial Corp (EFN)**. The equipment financing company said on Thursday it narrowed its fourth-quarter loss as higher finance receivables more than made up for a jump in transaction costs. It posted a net loss of nil per share, in the quarter compared with a year-earlier loss of 4 Canadian cents a share. Finance receivables more than doubled to C\$3.01 billion from C\$1.32 billion a year earlier.

- **First Capital Realty Inc (FCR)**. The company reported fourth-quarter adjusted funds from operations of 25 Canadian cents per share compared with 24 Canadian cents in the same quarter a year earlier. It said it expects 2014 AFFO to be between 99 Canadian cents per share and C\$1.01 per share.

- **First Quantum Minerals Ltd (FM)**. The base metal miner reported lower fourth-quarter earnings on Thursday due to weaker metals prices despite an increase in production and lower production costs. Comparative earnings, adjusted to remove the effect of unusual items, fell to 23 cents a share from 39 cents a share a year ago. Analysts expected earnings of 22 cents a share. It forecasted capital spending of \$2.1 billion this year, with \$600 million to be spent at each of its Cobre Panama and Sentinel projects.

- **Lundin Mining Corp** (LUN). The company reported fourth-quarter earnings of 7 cents per basic share compared with a loss of 3 cents per basic share in the comparable quarter. Sales rose to \$186.9 million from \$176.4 million.
- **Western Forest Products Inc** (WEF). The company posted fourth-quarter earnings of 13 Canadian cents a share, compared with 3 Canadian cents, a year earlier. Sales increased to C\$242.0 million from C\$231.2 million.
- **TransCanada Corp** (TRP). A Nebraska judge's ruling on the company's Keystone XL pipeline could let President Barack Obama delay his final decision on the project until after mid-term elections and avoid political damage, analysts say. The Nebraska ruling on Wednesday put the controversial project in legal limbo and likely delayed the state's decision on the pipeline until later this year. Approving its \$5.4 billion pipeline before the elections would anger environmentalists, an important part of Obama's base.
- **Veresen Inc** (VSN). The company said on Thursday that Canada's National Energy Board had approved its request for a license to export natural gas for a U.S. liquefied natural gas project. It said the board had approved a license to ship 1.55 billion cubic feet per day of gas to its Jordan Cove LNG project at Coos Bay, Oregon. While seven proposed LNG projects planned for British Columbia's northern Pacific coast have received LNG-export licenses, its approval is the first for shipping Canadian gas for a U.S. project.

ANALYSTS' RECOMMENDATIONS

- **Alamos Gold Inc** (AGI). CIBC cuts target price to C\$12.50 from C\$15 considering decreasing gold production and an injunction issued in Turkey
- **Canadian Utilities** (CU). Barclays raises target to C\$41 from C\$39, based on the company's largely-in-line results and sees rate base growth at the utilities
- **Osisko Mining Corp** (OSK). CIBC cuts to sector performer from sector outperformer based on the overhang from a hostile bid from **Goldcorp** (G) and the upcoming trial in March
- **TransAlta Corp** (TA). CIBC cuts to sector underperformer from sector performer and cuts target price to C\$12 from C\$15.50 on the company's disappointing 2013 results, unexpected dividend cut and limited visibility into future growth
- **TransCanada Corp** (TRP). CIBC cuts target price to C\$56 from C\$58 citing the company's below-consensus fourth-quarter results owing to the Nebraska court ruling of the Keystone XL pipeline

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