



Market Summary

DOW	18205.75	-18.82	PEYTO ENERGY	34.94	-.48	POLARIS	2.75	+.05
TSE	15290.68	+62.11	WESTERN FOREST	2.22	--	CANADIAN \$	0.8009	-.0031
S&P	2111.60	-2.26	CATALYST	5.65	--	EURO	1.1225	-.0135
NASDAQ	4969.30	+2.16	CANFOR	29.28	+1.13	COPPER	2.58	+.03
TSX VENTURE	701.95	+2.46	REDSTAR GOLD	0.045	--	BRENT CRUDE	61.70	+.07
SILVER	16.73	+.27	LUMBER	384.30	--	NATURAL GAS	2.81	-.05
GOLD	1212.00	+10.50	FIRST MAJESTIC	7.71	+.24	PRIME RATE	2.85%	

Market Commentary

- **US Durables good orders rose**

They climbed 2.8% in January from the year earlier more than the 0.6% increase expected by economists.

- **US inflation data falls**

The consumer-price index fell 0.7% in January from December, the Labor Department said Thursday. Prices slipped 0.1% from a year earlier, marking the first year-over-year decline since October 2009. Economists surveyed by The Wall Street Journal expected a 0.6% decline in January from December.

- **US jobless claims rise**

Jobless claims in the week ended Feb. 21 rose by 31,000 to 313,000, the Labor Department said Thursday. Economists polled by The Wall Street Journal had expected 290,000 new claims.

- **Canadian Inflation rate falls to a 14 month low**

Slumping oil prices continue to take a deep bite out of consumer prices up just 1.0 per cent from a year earlier in January, the slowest pace since November, 2013. On a month-to-month basis, the CPI fell 0.2 per cent in January from December. The decline was again led by a sharp in gasoline prices, down 12.4 per cent month over month, and down 26.9 per cent year over year. However, the core inflation rate, which excludes the eight most volatile components of total CPI including gasoline and other fuels, held steady at 2.2 per cent – evidence that the energy price slump still isn't having a deep impact on the country's broader inflation picture. Economists had expected inflation to show a drop of 0.4 per cent on a month-to-month basis in January, and an overall inflation rate of 0.8 per cent. They had anticipated core inflation of 2.1 per cent

- **GM cuts capacity, jobs in Indonesia, where Japanese dominate**

General Motors is to stop making cars in Indonesia, a battleground for global automakers in emerging Southeast Asia, closing an assembly plant, axing some 500 jobs and shifting its branding focus to sport utility vehicles (SUVs).

A higher open for **the TSX** index on Thursday as markets digest bank earnings and country's inflation data. **U.S. stock indexes** open mixed as investors digest economic data also and moved past **Federal Reserve** Chair **Janet Yellen's** testimony and shifted focus to a flurry of economic data releases later in the day. **European markets** traded higher, **Asian markets** closed mixed. Brent had risen but has since slipped despite comments from Saudi oil minister gold edged up.

- **Canadian Imperial Bank of Commerce (CM).** The bank reported better-than-expected first-quarter earnings on Thursday, helped by strong profit growth at its wholesale banking business. Excluding items, the company earned C\$2.36 per share in the quarter ended Jan. 31, topping analysts' average estimate of C\$2.27. The bank said its net income fell to C\$923 million, or C\$2.28 per share, from C\$1.18 billion, or C\$2.88 per share, a year earlier.

- **Loblaw Cos Ltd (L).** The grocer quarterly profit more than doubled, mainly due to higher sales in its retail business and the acquisition of Shoppers Drug Mart. The company's net income rose to C\$247 million, or 60 Canadian cents per share, in the fourth quarter ended Jan. 3 from C\$114 million, or 41 Canadian cents per share, a year earlier. Excluding items, Loblaw earned 96 Canadian cents per share. Revenue rose 49.4 percent to C\$11.41 billion.

- **Canadian National Railway Co (CNR).** Canada's new rail safety legislation would make it possible for governments to recover costs from railways for any fire they cause, not just accidents that involve crude oil, said Transport Canada, a change that could force railways to pay millions in costs associated with forest fires. The company, which is in a legal dispute with the Ontario government over a fire that burned about 40,000 hectares in 2012, criticised the legislation on Wednesday. Under the new rules, provinces or municipal governments could ask the Canadian Transportation Agency, a federal agency given the power to resolve some disputes in the transport sector, to order a railway to reimburse costs they incurred putting out a fire.

- **Toronto-Dominion Bank (TD)**. The lender reported a higher quarterly net profit on Thursday, helped by its retail banking business. The lender's net income rose to C\$2.06 billion, or C\$1.09 per share, in the first quarter, from C\$2.04 billion, or C\$1.07 per share, a year earlier.
- **SouthGobi Resources Ltd (SGQ)**. Mongolian President Tsakhiagiin Elbegdorj on Thursday pardoned three former foreign employees of the coal miner who were sentenced to more than five years each in prison in January. Mongolia's sentencing of American citizen Justin Kapla and Filipinos Hilarion Cajucom Jr and Cristobal David had raised concern among foreign workers in Mongolia that they may be targeted by the government.

ANALYSTS' RECOMMENDATION

- **Encana (ECA)**. CIBC raises price target to \$16 from \$15 after the company Encana announced fourth quarter results that were below expectations on cash flow and earnings and substantially in line on production.
- **Hudson's Bay Co (HBC)**. CIBC raises target price to C\$30 from C\$27 as the company is placing a substantial portion of its U.S. and Canadian properties into JVs with friendly partners Simon Property Group and RioCan.
- **Magna International Inc (MGA)**. CIBC raises price target to \$125 from \$110 as the company reported a stronger-than-expected Q4. 2015 guidance was updated, with strong North American margins offsetting the recent fall in the CAD and euro that we anticipated.

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