



Market Summary

DOW	16370.58	+97.98	PEYTO ENERGY	36.25	+0.59	POLARIS	2.56	+0.01
TSE	14267.04	+52.30	WESTERN FOREST	2.55	-0.03	CANADIAN \$	0.9026	+0.0036
S&P	1864.37	+10.08	CATALYST	2.80	-0.05	EURO	1.3799	+0.0092
NASDAQ	4337.26	+18.33	CANFOR	29.26	+0.08	COPPER	3.19	-0.01
TSX VENTURE	1021.67	+2.24	REDSTAR GOLD	0.055	--	CRUDE OIL	102.60	+0.20
SILVER	21.25	-0.10	LUMBER	353.30	--	NATURAL GAS	4.60	+0.09
GOLD	1325.20	-6.70	TIM HORTON'S	60.40	+0.40	PRIME RATE	3.00%	

Market Commentary

• Euro zone inflation stabilises in "danger zone", unemployment stays high

Euro zone inflation stabilised in what the European Central Bank has called the "danger zone" in February, data showed, while unemployment remained stuck near record highs ahead of an ECB policy meeting next week.

• Armed men seize two airports in Ukraine's Crimea, Russia denies

Armed men took control of two airports in the Crimea region on Friday in what Ukraine's government described as an invasion and occupation by Russian forces, raising tension between Moscow and the West.

• German retail sales rise at fastest rate in seven years

German retail sales posted their strongest gain in seven years in January, reinforcing expectations that consumer spending will support growth in Europe's largest economy this year.

• Salesforce.com raises revenue forecast, seeks higher profits

Salesforce.com Inc raised its full-year revenue forecast and said it aims to improve its adjusted operating margin, after quarterly revenue grew more than expected on strong sales at ExactTarget, an email marketing firm it acquired in June.

• Canadian economy shakes off December storm, picks up steam

Shaking off a storm-battered December, the Canadian economy managed to grow at a better-than-expected 2.9-per-cent annual pace in the final three months of the year.

That was in spite of a 0.5-per-cent monthly contraction in December, due mainly to the effects of a massive ice storm that knocked out power to hundreds of thousands of homes in central Canada.

The Bank of Canada had expected the economy to grow 2.5 per cent in the fourth quarter.

• Economy in U.S. Expanded at Slower Pace Than First Estimated

The economy in the U.S. grew at a slower pace in the fourth quarter than previously estimated, giving the expansion less momentum heading into 2014.

Gross domestic product grew at a 2.4 percent annualized rate from October through December, compared with the 3.2 percent gain issued last month, revised figures from the Commerce Department showed today in Washington. The median forecast of 85 economists surveyed by Bloomberg called for a 2.5 percent increase.

• Pending Sales of Existing Homes in U.S. Rose 0.1% in January

Contracts to purchase previously owned U.S. homes rose less than forecast in January, adding to signs housing was weakening in early 2014.

The index of pending home sales climbed 0.1 percent after a 5.8 percent drop the prior month that was smaller than previously estimated, figures from the National Association of Realtors showed today in Washington. The median forecast of 41 economists surveyed by Bloomberg called for sales to rise 1.8 percent.

The TSX opened flat ahead of growth data which was expected to show the economy shrank in December and on worries surrounding Ukraine's political situation, but concerns abated and we rallied on. **Wall Street** also opened flat only to gain as growth remains but not so fast that the Fed will raise rates anytime soon. **European markets** fell as higher-than expected euro zone inflation data dimmed prospects of an interest rate cut from the European Central Bank as early as next week. **Asian stocks** ended broadly positive. The **euro** rose to its highest level in the year and the **yen** traded up on safe-haven appeal. **Brent** fell and **gold** traded lower but looked on track for its biggest monthly gain in seven.

• **Mega Brands Inc (MB)**. Toymaker **Mattel Inc** said it agreed to buy Mega Brands for about \$460 million, including debt, to expand its construction and arts and crafts offerings. Mattel offered C\$17.75 per Mega Brands share, representing a premium of 36 percent to the stock's close of C\$13.07 on Thursday. Mega Brands will pay a termination fee of \$12 million to Mattel if it accepts an unsolicited proposal, subject to Mattel's right to match the proposal, the companies said in a joint statement.

- **Artis Real Estate Investment Trust (AX_u)**. The company posted adjusted funds from operation of 30 Canadian cents per unit in the fourth quarter unchanged from the year-ago quarter. Revenue increased to C\$122.9 million from C\$105.0 million.
- **Atlantic Power Corp (ATP)**. The company announced its fourth-quarter results with net income coming in at 4 cents per share compared with a loss of 50 cents per share in the comparable quarter a year earlier.
- **Blackpearl Resources Inc (PXX)**. The company's fourth-quarter results came in at breakeven per share compared with a loss of 1 Canadian cent per share in the comparable quarter a year earlier. Revenues from oil and gas increased to C\$54.1 million from C\$47.6 million.
- **Bonavista Energy Corp (BNP)**. The company reported fourth-quarter adjusted net income of 12 Canadian cents per share compared with 9 Canadian cents per share in the year-ago quarter. Funds from operations rose to 62 Canadian cents per share from 57 Canadian cents per share, and production revenue increased to C\$245.5 million from C\$223.0 million.
- **Dundee Real Estate Investment Trust (D_u)**. The company announced its fourth-quarter results with adjusted funds from operations coming in at 62 Canadian cents per basic unit compared with 57 Canadian cents per basic unit in the year-ago quarter. Investment properties revenue increased from C\$208.4 million from C\$192.0 million.
- **Enerflex Ltd (EFX)**. The company posted fourth-quarter earnings from continuing operations of 14 Canadian cents per share compared with 35 Canadian cents per share in the comparable quarter a year earlier. Revenue fell to C\$350.1 million from C\$421.6 million.
- **New Gold Inc (NGD)**. The company announced fourth-quarter adjusted net earnings of 4 cents per share, down from 11 cents per share in the comparable quarter a year earlier. Revenue came in at \$198.4 million, down from \$250.9 million.
- **Pason Systems Inc (PSI)**. The company posted fourth-quarter earnings of 29 Canadian cents per share, compared with a loss of 16 Canadian cents per share in the year-ago quarter. Revenue increased to C\$108.9 million from C\$94.0 million.
- **Shawcor Ltd (SCL)**. The company announced its fourth-quarter results with a net income of 37 Canadian cents per share compared with C\$1.13 per share in the year-ago quarter. Revenue reported fell to C\$409.8 million from C\$439.5 million.

ANALYSTS' RECOMMENDATIONS

- **Agrium Inc (AGU)**. Susquehanna raises target price to \$115 from \$110 citing the company's better-than-expected retail results in the fourth quarter and its dividend yield
- **Avigilon (AVO)**. CIBC raises target price to C\$50 from C\$32 on expectations that the company's fourth-quarter results will beat estimates when it reports results later next week
- **Catamaran Corp (CCT)**. CIBC cuts to sector performer from sector outperformer based on the company's weak outlook for the year ahead, sees margin pressure into 2015
- **Valeant Pharmaceuticals International Inc (VRX)**. BMO raises target price to \$164 from \$162 on the company's largely in-line fourth-quarter results, sees opportunities for improving overall operational efficiency

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