



Market Summary

DOW	18041.27	-94.45	PEYTO ENERGY	35.10	-.28	POLARIS	2.47	-.08
TSE	15074.54	-28.57	WESTERN FOREST	2.08	--	CANADIAN \$	0.7927	-.0082
S&P	2095.21	-5.83	CATALYST	5.27	--	EURO	1.0861	-.0169
NASDAQ	4976.81	-6.00	CANFOR	28.58	-.63	COPPER	2.61	-.04
TSX VENTURE	693.82	-3.10	REDSTAR GOLD	0.045	-.005	BRENT CRUDE	60.36	-.12
SILVER	15.85	-.31	LUMBER	285.70	--	NATURAL GAS	2.81	-.03
GOLD	1174.50	-21.70	FIRST MAJESTIC	7.14	-.17	PRIME RATE	2.85%	

Market Commentary

• U.S. banks pass Fed capital test, trading books hurt

All 31 U.S. banks passed a test of how they would do in a next economic crisis, the Federal Reserve said on Thursday, but those with large trading books came out weak because of new elements in the check-up.

• U.S. Adds 295,000 Jobs In February; Unemployment Rate Falls To 5.5 Percent

The Labor Department said Friday that the unemployment rate fell to 5.5 percent from 5.7 percent. But the decline in the rate occurred mainly because some people out of work stopped looking for jobs and were no longer counted as unemployed. The strong job gains weren't enough to boost wages by much. The average hourly wage rose just 3 cents in February to \$24.78 an hour.

• Wind Mobile wins new licences at spectrum auction

Wind Mobile won new licences for spectrum in Ontario, British Columbia and Alberta that will eventually give the company a path to building next generation networks.

Federal Industry Minister James Moore announced the results at a press conference in Toronto Friday morning, revealing the auction for airwaves in the AWS-3 (advanced wireless services) frequency band raised a total of \$2.11-billion.

Telus Corp., BCE Inc., Videotron Ltd. and Eastlink Wireless also won licences while Rogers Communications Inc. did not win any new spectrum.

• Canada's building permits sank in January

The value of Canadian building permits issued in January sank by 12.9 percent to C\$6.13 billion (\$4.90 billion), pulled down by sharply lower construction intentions for non-residential buildings, Statistics Canada said on Friday.

Market analysts had forecast a 4.3 percent drop. Revised figures showed a 6.1 percent gain in December.

• Canada's trade gap widens sharply on plunging oil

Canada's trade deficit widened to its highest level in two and a half years in January as exports fell by 2.8 per cent to \$42.6-billion over the course of the month, with both prices and volumes declining. Imports were little changed, coming in at \$45.1-billion. The merchandise trade deficit expanded to \$2.45-billion, far worse than the consensus estimate for a \$1-billion deficit, and the nation's second largest on record. December's deficit, originally reported as \$649-million, was revised downwards to \$1.2-billion.

Loonie and stocks pointed lower at the opening. Stocks rose briefly then retreated again for the **TSX** as a flurry of key economic data including building permits, trade balance and U.S. payrolls are digested. **U.S. stock indexes** eased as the data sent the dollar soaring and on concerns that the data means interest rates are due to rise. **European shares** steadied near seven-year highs as the Euro sinks closer to par with the US dollar and **Asian shares** closed mostly higher. **Oil** had advanced on Middle East supply concerns but eased as the US dollar gained, while **gold** dropped hard below \$1,200 an ounce, heading for a fifth weekly decline in six.

• **Enbridge Inc (ENB)**. The pipeline operator said on Thursday it plans to boost the size of two lines carrying crude from the oil sands while shaving C\$400 million from their original price tag. The company said two planned regional lines, the Athabasca Twin and Wood Buffalo extension projects, will now cost a combined C\$2.6 billion, down from its prior C\$3 billion estimate. The lines are being expanded to handle oil shipped from Suncor Energy Inc's (SU) planned Fort Hills oil sands project. The company said that the projects will be in service by the fourth quarter of 2017.

• Polaris Materials Corporation (TSX:PLS) today reported financial results

Sales in the fourth quarter of 2014 were 750,000 tons and revenue \$10.0 million, both 29% lower compared with the fourth quarter of 2013. Gross profit in the quarter was \$657,000, or \$0.88 per ton compared with a gross profit in the prior year of \$1.2 million, or \$1.16 per ton.

ANALYSTS' RECOMMENDATION

- **Baytex Energy Corp** (BTE). Barclays cut price target to C\$21 from C\$23 due to company's high leverage ratios and declining production profile.
- **Canadian Natural Resources** (CNQ). RBC raised target price to C\$43 from C\$41 saying that company has reduced the scope of a planned 35-day turnaround at its Horizon oil sands operation to 6 days.
- **Canyon Services Group Inc** (FRC). RBC cut target price to C\$9 from C\$10 driven by company's lower forecast completion activity in Canada in 2015.
- **George Weston Ltd** (WN). Credit Suisse cut target price to C\$116 from C\$122 to reflect company's challenges to cover rising input costs over the past few years.

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