



Market Summary

DOW	16372.37	+32.30	PEYTO ENERGY	35.46	+0.64	POLARIS	2.50	--
TSE	14306.71	-12.29	WESTERN FOREST	2.39	+0.05	CANADIAN \$	0.9043	+0.0053
S&P	1871.02	+2.82	CATALYST	2.75	--	EURO	1.3947	+0.0046
NASDAQ	4327.54	+4.21	CANFOR	28.24	-0.14	COPPER	3.96	--
TSX VENTURE	1042.12	-4.27	REDSTAR GOLD	0.05	--	CRUDE OIL	97.84	+0.16
SILVER	21.22	-0.13	LUMBER	353.50	-2.80	NATURAL GAS	4.39	-0.05
GOLD	1367.00	-3.50	TIM HORTON'S	62.17	-0.21	PRIME RATE	3.00%	

Market Commentary

• Merkel warns Russia of "massive damage" over Ukraine

Germany's Angela Merkel warned Moscow that it risked "massive" political and economic damage if it refused to change course on Ukraine, saying Western leaders were united in their readiness to impose sanctions on Russia if necessary.

• China premier warns on slowdown as data fans stimulus talk

Chinese Premier Li Keqiang warned that the economy faces "severe challenges" in 2014 - comments that came as weak data fanned speculation the central bank would relax monetary policy to support stuttering growth.

• Japan machinery orders jump, positive sign for Abenomics

Japan's core machinery orders rose in January at the fastest pace in almost a year, rebounding from a record decline in the previous month, in a positive sign that long-dormant business investment will start to accelerate and contribute to the broader economy.

TSX opens flat in cautious trading, but concerns surrounding China's growth and Ukraine's continued political tensions could cap gains. New housing PI and capacity utilization data are on the economic radar. **Wall Street** pointed slightly higher. **European markets** traded mixed and a sell-off among UK retailers after a profit warning by Morrison's pulled Britain's FTSE 100 lower. Most **Asian stocks** closed negative. The **euro** hit a fresh 2-1/2-year high on the prospect of further inflows of capital and a lack of any easing in European monetary policy. **Brent** steadied at around \$107 a barrel, while **gold** inched lower.

• **Black Diamond Group Ltd (BDI)**. The company reported fourth-quarter net income of 32 Canadian cents per share, compared with 24 Canadian cents per share, last year. During the period, total revenue rose to C\$106.9 million from C\$68.4 million.

• **Empire Co Ltd (EMPa)**. The operator of Canadian grocery chain Sobeys reported a steep fall in quarterly profit, hurt by higher inventory losses and higher costs due to a weaker Canadian dollar. Net earnings fell to C\$40,000, or nil Canadian cents per share, in the third quarter from C\$74.1 million, or C\$1.09 per share, a year earlier. Empire reported third-quarter adjusted earnings of 84 Canadian cents per share, below analysts' estimate of C\$1.23 per share.

• **New Look Eyewear Inc (BCI)**. The company reported fourth-quarter net earnings of 11 Canadian cents per share, compared with 21 Canadian cents per share, a year earlier. Total revenue rose to C\$25.6 million from C\$20.9 million.

• **K-Bro Linen Inc (KBL)**. The company reported adjusted net income of 30 Canadian cents per share in its fourth quarter, compared with 39 Canadian cents per share, a year earlier. Revenue rose to C\$32.3 million from last year's C\$31.6 million.

• **Melcor Developments Ltd (MRD)**. The company recorded fourth-quarter adjusted net income of C\$1.87 per basic share, compared with C\$1.84 per basic share, in the comparable quarter a year earlier. Total revenue during the quarter was C\$152.2 million.

• **Pacific Rubiales Energy Corp (PRE)**. The company posted fourth-quarter adjusted earnings of 47 cents a share compared with 20 cents a share, the year earlier. Oil and gas revenues rose to \$1.20 billion from \$1.04 billion.

• **Quebecor Inc (QBRb)**. The company posted fourth-quarter net income from continuing operations of 28 Canadian cents a share compared with 3 Canadian cents a share, a year earlier. Revenues came in at C\$1.12 billion.

• **Transat AT Inc (TRZb)**. The tour operator reported a bigger quarterly loss as a weak Canadian dollar pushed up operating expenses. Net loss widened to C\$25.6 million, or 60 Canadian cents per share, in the first quarter, from C\$15.1 million, or 56 Canadian cents per share, a year earlier. Revenue rose 5.2 percent to C\$847.2 million.

ANALYSTS' RECOMMENDATIONS

- **Ag Growth International Inc** (AFN). CIBC cuts target price to C\$46.50 from C\$48 to reflect unrest in Ukraine which effects the long-term growth in the Black Sea area
- **Crescent Point Energy Corp** (CPG). CIBC raises price target of C\$50.50 from C\$49.50 based on the company's above-consensus fourth-quarter results and strong reserves driven by technological innovation
- **Healthlease Properties Real Estate Investment Trust** (HLP_u). CIBC raises target price to C\$12 from C\$11.50, says the company's increase in FFO comes as a result of contributions from accretive acquisitions, property development and interest income
- **Newalta Corp** (NAL). CIBC raises target price to C\$20 from C\$19.50 citing the company's new strategic direction and expected high return growth in the Heavy Oil segment
- **Semafo Inc** (SMF). CIBC raises target price to C\$5.50 from C\$5, says Mana bouncing back in a big way in 2014 with the addition of two new highgrade sources, sees grade to increase by more than 50 percent

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