



Market Summary

DOW	18174.06	+46.41	PEYTO ENERGY	35.09	+29	POLARIS	2.37	+02
TSE	1966.63	+24.22	WESTERN FOREST	1.88	--	CANADIAN \$	0.7981	+0016
S&P	2112.40	+4.30	CATALYST	3.18	--	EURO	1.0928	+0108
NASDAQ	5025.37	-1.05	CANFOR	25.24	+03	COPPER	2.78	+02
TSX VENTURE	672.06	+1.47	REDSTAR GOLD	0.03	--	BRENT CRUDE	55.85	+52
SILVER	16.95	+07	LUMBER	276.60	+2.30	NATURAL GAS	2.74	-07
GOLD	1186.50	+1.90	FIRST MAJESTIC	7.49	+14	PRIME RATE	2.85%	

Market Commentary

• Lee Kuan Yew, founding father of modern Singapore, dies at 91

Lee Kuan Yew, Singapore's first prime minister, died on Monday aged 91, triggering a flood of tributes to the man who oversaw the tiny city-state's rapid rise from a British colonial backwater to a global trade and financial centre.

• U.S. court authorizes Citigroup to process Argentine bond payments

Citigroup Inc said it has been authorized by a U.S. judge to process two Argentine debt payments, the bank said, which could ease tensions between the bank and the default-hit nation.

• Honda hires U.S. engineering firm Exponent to probe Takata air bags

Honda Motor Co has hired Exponent, a U.S.-based engineering consulting company enlisted by Toyota Motor Corp during its recall crisis in 2010, to investigate the cause of ruptures in some air bags made by Takata Corp.

• Pirelli ownership changing hands

Pirelli was founded in 1872 in Milan by Giovanni Battista Pirelli. Today's news is that Pirelli is being sold to a Chinese company. China National Chemical Corporation is going to buy out Pirelli's largest stakeholder and then make an offer to buy the rest of Pirelli's shares trading on the stock market. The total value of the takeover is about \$7.7-billion and will expand Pirelli more deeply into the truck-tire market, where Chem China already has a foothold.

• Tuan trading hub in Toronto opens today

By accepting the yuan/renminbi as a "payments currency", it will allow Chinese companies to buy Canadian exports without having to convert payments through the U.S. dollar. That alone is expected to save Canadian companies \$6.2-Billion over the coming decade. The Chamber of Commerce estimates it could generate an additional \$32-Billion in exports.

• US home sales come in near expectations

4.88 million homes were sold up 1.2% vs. a drop of 4.9% in January. Estimates were for a gain if 1.7% to 4.9 million.

• Greek showdown coming

German chancellor Angela Merkel is expected to show little mercy today in her showdown with Greek prime minister Alexis Trispras, whose government has stated it cannot meet imminent debt payments without more help from its international bailout creditors.

• Price gap between condos and new houses in Toronto soars

Toronto's spring housing market heats up, the gap between the price of a new house and a new condo skyrocketed to nearly \$300,000 in February. It was a new record for a market where intense competition has pushed the average price of a detached house over \$1-million, while a flood of newly built condos, many of them aimed at investors, has kept prices flat. The average price of a new house in the Greater Toronto Area hit \$733,578 in February, up 12 per cent from a year earlier. That figure includes the price of all low-rise housing: detached, semi-detached and townhouses. The average price of a new condo, meanwhile, has gained less than 1 per cent over the past year, rising to \$442,672 in February. New condo prices have actually fallen slightly in the past two months. The growing disconnect between single-family and high-rise homes has pushed the price gap up nearly \$40,000 since December.

Weak **European markets** didn't hold back the opening for **Canada's main stock index** as concerns about whether Greece can reach an agreement with creditors to secure fresh funds pressured markets there. **U.S. stock indexes** opened steady and slowing made gains. **Asian markets** closed mixed. The **U.S. dollar** fell broadly, despite that **gold** and **Oil** prices are steady, with **Brent** holding above \$55 a barrel, after Saudi Arabia said it would only consider cutting output if other producers outside OPEC did so too.

- **Canadian National Railway (CNR)**. The company's safety record deteriorated sharply in 2014, reversing years of improvements, as accidents in Canada blamed on poor track conditions hit their highest level in more than five years, a Reuters analysis has found. Canada's Transportation Safety Board said on Tuesday that track failure may have played a role in CN's three recent Ontario accidents, which have fueled calls for tougher regulation. The agency said oil unit trains, made up entirely of tank cars, could make tracks more susceptible to failure.
- **Sherritt International Corp. (S)** announced today a strike action by its employees at the Ambatovy mine near Moramanga, Madagascar. This has resulted in production being curtailed at the mine.

ANALYSTS' RECOMMENDATION

- **AGF Management Ltd (AGFb)**. CIBC raised price target to C\$7.75 from C\$7.25 considering the company's retail net redemptions have been improved for seven consecutive quarters.
- **AutoCanada Inc (ACQ)**. CIBC cut price target to C\$45 from C\$71 to reflect the impact of declines in company's Alberta business are greater than previously thought.
- **Pacific Rubiales (PRE)**. HSBC cut rating to underweight from neutral saying the company will likely experience a cash squeeze in the second half of 2016.

Morning Newsletter data source courtesy of



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