



Market Summary

DOW	17927.79	-48.52	PEYTO ENERGY	34.21	+30	POLARIS	2.34	--
TSE	14919.41	+11.02	WESTERN FOREST	1.97	-.05	CANADIAN \$	0.7890	+0.001
S&P	2079.57	-8.67	CATALYST	4.21	--	EURO	1.10737	-.0094
NASDAQ	4938.11	-9.32	CANFOR	25.29	-.74	COPPER	2.77	-.01
TSX VENTURE	681.68	+1.35	REDSTAR GOLD	0.035	--	BRENT CRUDE	55.18	-1.11
SILVER	16.71	+0.04	LUMBER	282.30	--	NATURAL GAS	2.66	+0.02
GOLD	1187.40	+2.10	FIRST MAJESTIC	6.86	-.23	PRIME RATE	2.85%	

Market Commentary

• Charter Communications to buy Bright House for about \$10 bln-source

Cable television operator Charter Communications Inc has agreed to acquire Bright House Networks in a roughly \$10 billion deal that could be announced as soon as Tuesday, according to a source familiar with the matter.

• IBM says to invest \$3 bln in 'Internet of Things' unit

International Business Machines Corp said it will invest \$3 billion over the next four years in a new 'Internet of Things' unit, aiming to sell its expertise in gathering and making sense of the surge in real-time data.

• Canada's economy shrinks 0.1% on weakness in retail, wholesale trade

Gross domestic product fell by 0.1 per cent in January, slightly better than the 0.2 per cent economists had anticipated, but a reversal of course from December's 0.3-per-cent growth. Output from services contracted 0.3 per cent, but output of goods rose 0.3 per cent. January marked the low point of the oil slump, with the North American benchmark West Texas Intermediate crude averaging just \$47 (U.S.) a barrel. The month also marked the arrival of extreme cold and heavy snow in many key regions. "There's no denying that the Canadian economy had a poor start to 2015, but the drop in GDP wasn't nearly as bad as some feared," said Benjamin Reitzes, senior economist at Bank of Montreal, in a research note.

The broader impact of the oil shock, as well as inclement weather, was evident in two major segments of the services sector: wholesale (down 2.6 per cent) and retail (down 1 per cent). The weakness had been expected after disappointing January retail and wholesale sales reports were published earlier this month. The goods side of the ledger, on the other hand, showed growth of 0.3 per cent, building on the 0.4-per-cent gain in December. However, its strength was highlighted by a couple of temporary effects which will be hard to repeat.

• Citi to sell Japan credit card unit to Sumitomo Mitsui Trust Bank

Citigroup Inc has agreed to sell its credit card unit in Japan to Sumitomo Mitsui Trust Bank, the companies said, as the U.S. bank slims down globally to bolster its profitability.

A lower opening was seen for the **TSX** as a strong US dollar and an possible agreement with Iran sends crude lower but trimmed losses midday. Canada's gross domestic product was expected to have declined by 0.2 percent as the impact from cheap oil prices starts to bite. **U.S. stock indexes** were in the red as Greece's finances kept investors on the edge.

European markets fell, but were on track for their best first quarter of the euro era and the single currency was on track for its biggest quarterly fall. **Asian markets** closed mixed. **Gold** is steady despite the strong dollar. **Crude** slipped as Iran and six world powers enter final day of talks.

• **D+H (DH)**. The financial technology firm said on Monday it agreed to acquire global payment services provider **Fundtech** for \$1.25 billion in cash, in a bid to expand its service offerings aimed at global financial institutions and large U.S. banks. Fundtech, with some 1,500 employees and 19 offices globally, provides a comprehensive line of transaction banking software that facilitates global and domestic payments, along with financial messaging, corporate cash management and merchant services. The deal, which is subject to regulatory approvals, is seen closing in the second quarter of fiscal 2015. In order to fund the takeover, D+H is raising C\$626 million via an equity issuance and some C\$200 million in a concurrent convertible debt offering.

• **Amaya Inc (AYA)**. The gaming company reported a near eight-fold rise in quarterly adjusted profit, helped mainly by the acquisition of PokerStars. Amaya's adjusted profit rose to C\$85.7 million, or 42 Canadian cents per share, in the fourth quarter ended Dec. 31, from C\$11.1 million, or 12 Canadian cents per share, a year earlier. The Montreal, Quebec-based company's revenue rose nearly 10 times to C\$368.6 million.

- **Bank of Montreal (BMO)**. The bank's former top natural gas trader was ordered to pay \$14.2 million in restitution on Monday after pleading guilty to charges that he inflated the value of his portfolio and conspired with others to deceive the bank. David Lee, 43, was spared prison time by U.S. District Judge Loretta Preska in Manhattan in light of his years of cooperating with authorities investigating a trading scheme that contributed to a C\$853 million loss in Bank of Montreal's commodities trading business for 2007.
- **Fairfax Financial Holdings (FFH)**. The company has sold half of its 5.8 percent stake in Bank of Ireland for more than triple what it paid for it in 2011, a source with knowledge of the deal said. Fairfax bought an 8.7 percent stake in 2011 as part of a consortium including U.S. billionaire Wilbur Ross when the shares were trading at 10 euro cents, and cut that to 5.8 percent last March.
- **Mosaic Co (MOS)**. Changes to the Canadian province of Saskatchewan's potash production tax will cost the U.S. fertilizer company \$80 million to \$100 million in 2015, it said on Monday. Potash Corp (POT) has said the changes will hurt its 2015 pre-tax earnings by C\$75 million to C\$100 million.

ANALYSTS' RECOMMENDATION

- **Catamaran Corp (CCT)**. Cowen and Company cut rating to market perform from outperform in light of the announced acquisition by United Health's OptumRx.
- **Cogeco Inc (CGO)**. Barclays cut rating to equal weight from overweight citing heightened risk of intensifying competition for the Canadian cable business over the next 12-18 months.
- **Corus Entertainment Inc (CJRb)**. Barclays cut rating to underweight from equal weight saying that the company faces several long-term structural challenges.
- **WSP Global Inc (WSP)**. Raymond James cut rating to outperform from strong buy based on the company's recent rally, which has closed the valuation gap between it and Stantec.

Morning Newsletter data source courtesy of



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