



## Market Summary

DOW	16520.13	+70.88	PEYTO ENERGY	30.42	+20	POLARIS	2.90	-.01
TSE	14517.50	+23.82	WESTERN FOREST	2.30	--	CANADIAN \$	0.9068	-.0013
S&P	1879.49	+7.60	CATALYST	2.25	--	EURO	1.3799	+0.008
NASDAQ	4156.10	+34.55	CANFOR	24.43	+15	COPPER	3.03	--
TSX VENTURE	998.46	+1.25	REDSTAR GOLD	0.045	--	CRUDE OIL	102.23	-1.42
SILVER	19.34	-.01	LUMBER	333.00	--	NATURAL GAS	4.78	+.04
GOLD	1282.90	-5.50	TIM HORTON'S	61.60	+18	PRIME RATE	3.00%	

## Market Commentary

### • Novartis reshapes business via deals with GSK and Lilly

Swiss drugmaker Novartis announced a multi-billion dollar revamp, swapping assets with GlaxoSmithKline and selling its animal health arm in a bid to simplify its business and increase its focus on high-margin cancer medicines.

The **TSX** opened slightly higher, with investors focused on U.S. quarterly earnings. **U.S. stock indexes** are also slightly high as investors found few reasons to continue buying after a five-day rally in the S&P 500. Merger and acquisitions talk in the pharmaceutical sector lifted **European shares**, but failed to support the **euro**, which held at a two week low against the **dollar** on rising expectations of further policy easing by the European Central Bank. **Asian stocks** were broadly higher. **Brent** fell from a six-week high and **gold** recovered from early losses.

• **Canadian Pacific Railway Ltd (CP)** reported a 17 percent jump in first-quarter earnings as it improved efficiency despite facing one of the harshest winters in decades. Net earning rose to C\$254 million, or C\$1.44 per share, in the quarter ended March 31, from C\$217 million, or C\$1.24 per share, it earned during the same period a year ago.

• **Rogers Communications Inc (RCIb)**. The cable, telecommunications and media company reported a 13 percent drop in first-quarter profit on Monday, as a move to more customer-friendly pricing led to a slip in earnings at its major wireless phone arm. It said net income fell to C\$307 million in the quarter, from C\$353 million a year earlier. Operating revenue slipped slightly to C\$3.020 billion. On an adjusted basis, it earned 66 Canadian cents a share.

• **Teck Resources Ltd (TCKb)**. The diversified miner said it would defer the reopening of its Quintette coal mine in British Columbia and cut 600 jobs, or 5 percent of its global workforce, after a 78.4 percent fall in first-quarter net profit. Teck's profit fell to C\$69 million, or 12 Canadian cents per share, in the quarter, from C\$319 million, or 55 Canadian cents per share, a year earlier. Revenue fell 10.7 percent to C\$2.08 billion.

• **Enbridge Inc (ENB)**. The pipeline operator said it is rationing space on its Mainline pipeline for May. The company said the 491,000-bpd Line 5 between Superior, Wisconsin, and Sarnia, Ontario, will be apportioned by 17 percent for the month of May and the 609,000-bpd Line 6A, which runs from Superior to the Chicago region, is apportioned by 11 percent.

• **Valeant Pharmaceuticals International Inc (VRX)**. Activist investor William Ackman teamed up with the drugmaker to make a joint run at buying wrinkle-treatment maker Allergan Inc. The move to acquire Allergan is worth around \$42 billion.

### ANALYSTS' RECOMMENDATIONS

• **Barrick Gold Corp (ABX)**. Goldman Sachs raises to buy from neutral citing the company's more responsible capital allocation, successful cost cutting initiatives, maximizing free cash flow, and sound strategic portfolio optimization

• **B2Gold Corp (BTO)**. Goldman Sachs starts with buy rating and target price of C\$4.20, sees imminent production growth from the company's Otjikoto project which will enhance its FCF generation and fund future development

• **Detour Gold Corp (DGC)**. Goldman Sachs starts with neutral rating and target price of C\$9.50, says the company's ramp-up progressing well, strengthening its balance sheet and improving its cash costs

• **Franco-Nevada Corp (FNV)**. Goldman Sachs starts with neutral rating and target price of C\$52 based on the company's strong balance sheet and more accretive acquisitions

• **Suncor Energy Inc (SU)**. RBC raises price target to C\$48 from C\$47 stating that the company has a disciplined integrated with growth and a sustainable cash flow stream anchored by an oil sands resource base

Visit [www.mgardner.ca](http://www.mgardner.ca) or email [mgardner@globalsec.com](mailto:mgardner@globalsec.com) for more information.

*The information contained herein is drawn from sources believed to be reliable, but the accuracy or completeness is neither warranted nor guaranteed, nor in providing it does Global Securities Corporation assume any responsibility or liability therefore. This publication is not, nor is it to be construed as, a solicitation or a recommendation to a specific investor to purchase or sell any of the securities referred to herein. This publication is intended for distribution only in those jurisdictions where Global Securities Corporation is registered to trade securities, and may not be reproduced in whole or in part without the prior written consent of Global Securities Corporation. Copyright 2012 Global Securities Corporation. All rights reserved. Global Securities Corporation Member - Canadian Investor Protection Fund.*