



## Market Summary

DOW	16573.45	+54.91	PEYTO ENERGY	40.31	-.18	POLARIS	2.78	+.01
TSE	14688.22	+31.82	WESTERN FOREST	2.40	+.03	CANADIAN \$	0.9190	+.0017
S&P	1883.96	+5.75	CATALYST	2.85	--	EURO	1.3859	-.0051
NASDAQ	4094.17	+26.50	CANFOR	26.23	+7.7	COPPER	3.05	+.02
TSX VENTURE	1002.20	+1.16	REDSTAR GOLD	0.06	--	CRUDE OIL	100.22	-.44
SILVER	19.23	-.11	LUMBER	344.00	--	NATURAL GAS	4.70	-.05
GOLD	1287.50	-1.40	TIM HORTON'S	58.81	-.08	PRIME RATE	3.00%	

## Market Commentary

### • Bank of England sticks with low rates even as recovery builds

The Bank of England kept interest rates at a record low, despite signs that Britain's economic recovery is picking up more speed and that house prices are rising strongly.

### • ECB keeps rates unchanged, awaits update on inflation outlook

The European Central Bank left its main interest rate unchanged at a record low of 0.25 percent, holding off fresh policy action while it waits to see whether a tick up in inflation last month gains traction.

### • Barclays axes 19,000 jobs, reins in Wall Street ambitions

Britain's Barclays reined in its ambitions to be a Wall Street powerhouse and signalled a return to its retail banking roots with a plan to hive off much of its investment bank and axe one in four jobs at the division.

### • China exports regain some strength on US, EU demand

China's exports and imports returned to slight growth in April as orders to the United States and European Union surged, offering some positive signals for the world's second-largest economy after a weaker-than-expected start to 2014.

**TSX** opened higher due to upbeat Chinese trade data and dovish comments by U.S. Federal Reserve Chair Janet Yellen. Housing starts is on the economic calendar. **Wall Street** pointed higher also. **European shares** advanced, lifted by reassuring business updates from some of the region's top companies. **Asian shares** edged up. The **euro** traded near a two-month high and the **pound** held near a five-year high against the **dollar**. **Brent** fell as tensions in Ukraine showed signs of easing and **gold** steadied.

• **Western Forest Products** (WEF) announced results for the first quarter of 2014 with adjusted EBITDA of \$32.8 million compared to adjusted EBITDA of \$31.9 million for the first quarter of 2013 and \$24.4 million for the fourth quarter of 2013. Q1 2014 HIGHLIGHTS

- -- Adjusted EBITDA of \$32.8 million, 34% higher than the fourth quarter 2013 result and 3% higher than the first quarter 2013 result.
- -- Lumber revenues improved by 11% over the first quarter 2013, supported by higher prices and a favourable exchange rate.
- -- Mill productivity levels increased 5% over the same period last year. -- Completed bought deal secondary offering, resulting in single class of common shares.

• **Aecon Group Inc** (ARE). The company announced a first quarter loss of 47 Canadian cents per share, compared with a loss of 53 Canadian cents per share in the comparable quarter in the previous year. Revenue fell to C\$462 million from C\$567.4 million.

• **Canadian Tire Corp** (CTCa) The company reported a 3.3 percent drop in first-quarter net profit due to high advertising expenses during the Winter Olympics in Sochi. Net income fell to C\$70.6 million, or 88 Canadian cents per share and revenue rose 3.8 percent to C\$2.57 billion. Meanwhile, the company said Bank of Nova Scotia (BNS) would buy a 20 percent stake in the retailer's financial services business for C\$500 million in cash.

• **Fortis Inc** (FTS). The company reported first-quarter net income of 67 Canadian cents per share, compared with 76 Canadian cents per share, a year earlier. Revenue rose to C\$1.46 billion from C\$1.11 billion.

• **Great Canadian Gaming Corp** (GC). The company reported first-quarter earnings of 25 Canadian cents per share, compared with 44 Canadian cents per share in the same quarter a year earlier. Revenue rose to C\$103.8 million from C\$100.5 million.

• **Kinross Gold Corp** (K). Reported a sharp drop in first-quarter net earnings on Wednesday due to weaker bullion prices but its production increased and costs edged lower. The company said its net earnings fell to \$31.8 million, or 3 cents a share, from \$162.4 million, or 14 cents a share, a year earlier. Adjusted earnings dropped to \$34.1 million, or 3 cents a share.

- **Pacific Rubiales Energy Corp** (PRE). The company recorded first-quarter net income of 38 cents per share on revenue of \$1.3 billion.
- **Quebecor Inc** (QBRb). The company reported first-quarter net income of 33 Canadian cents per share, compared with 29 Canadian cents per share, a year earlier. Revenue rose to C\$1.04 billion from C\$1.03 billion.
- **Redknee Solutions Inc** (RKN). The company posted earnings of 5 cents per share in the second quarter compared with 3 cents per share in the year-ago quarter. Revenue rose to \$72.4 million from \$11.8 million.
- **Tourmaline Oil Corp** (TOU). The company posted first-quarter earnings of 45 Canadian cents per share, compared with 29 Canadian cents per share in the year-ago quarter. Revenue rose to C\$349.3 million from C\$175 million.
- **Trinidad Drilling Ltd** (TDG). The company reported first-quarter earnings of 19 Canadian cents per share, compared with 27 Canadian cents per share, a year earlier. Revenue rose to C\$251.5 million from C\$247.2 million.
- **Valeant Pharmaceuticals International Inc** (VRX). The drug maker reported a smaller quarterly loss, helped by robust sales in the U.S. Its net loss narrowed to \$20.3 million, or 7 cents per share, in the first quarter from \$27.5 million, or 9 cents per share, a year earlier. Total revenue rose 77 percent to \$1.89 billion.
- **Agrium Inc** (AGU). The fertilizer company is not looking to broadly cut costs and staffing levels, but its drive to become more efficient could lead to some job losses, CEO Chuck Magro said. The company is also considering a sale of some non-agricultural assets from its turf and ornamental lines that may transfer some positions to the buyer.

### ANALYSTS' RECOMMENDATIONS

- **CI Financial Corp** (CIX). National Bank Financial raises target price to C\$43 from C\$42 saying that the company remains well positioned to deliver superior AUM growth relative to peers
- **Encana Corporation** (ECA). National Bank Financial raises target to \$28 from \$25.50 based on the positive accretion and free cash flow potential from newly acquired assets
- **Smart Technologies Inc** (SMT). RBC raises target price to \$4 from \$3.25 based on revised estimates
- **Tim Hortons Inc** (THI). CIBC raises target price to C\$72 from C\$68 citing its recent quarterly results and its progress on all strategic fronts

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