



## Market Summary

DOW	16481.23	+51.76	PEYTO ENERGY	36.31	+.31	POLARIS	2.60	+.05
TSE	15222.22	+34.51	WESTERN FOREST	2.35	+.01	CANADIAN \$	0.9144	+.0022
S&P	1922.63	+2.42	CATALYST	2.00	-.06	EURO	1.3353	-.0022
NASDAQ	4368.91	+16.07	CANFOR	22.47	-.14	COPPER	3.17	-.04
TSX VENTURE	993.87	--	REDSTAR GOLD	0.05	+.005	CRUDE OIL	98.03	+.65
SILVER	20.06	+.22	LUMBER	338.50	+8.00	NATURAL GAS	3.90	+.01
GOLD	1309.50	+24.20	TIM HORTON'S	63.96	+3.88	PRIME RATE	3.00%	

## Market Commentary

The Polish Foreign Ministry said the risk of Russia invading Ukraine has increased in the "last dozen hours or so" after Russian President Putin increased the number of troops on his country's western border. Concern over the European economy is another negative for stocks after German factory orders unexpectedly fell by the most in 2-3/4 years and after Italy Q2 GDP fell -0.2% q/q after falling -0.1% q/q in Q1, which pushes Italy into recession.

- **Canada, EU finalize trade deal text; 2016 implementation eyed**

Canada and the European Union have finalized the text of a proposed free trade deal after months of disagreements, but implementation is still about two years away, Canadian officials said on Tuesday.

- **German orders fall at their sharpest rate in almost three years**

German industrial orders slid in June at their steepest rate since September 2011 as euro zone demand fell and geopolitical risks made firms cautious, suggesting this sector of Europe's largest economy will have a weak start to the third quarter.

- **NATO says Russia could be poised to invade Ukraine**

Russia has amassed around 20,000 combat-ready troops on Ukraine's eastern border and could use the pretext of a humanitarian or peace-keeping mission to invade, NATO said.

- **Yesterday U.S. ISM non-manufacturing PMI rises to 41-month high of 58.7 in July**

Service sector activity in the U.S. grew at the fastest rate in more than three years in July, fuelling optimism over the economic outlook, industry data showed on Tuesday.

In a report, the Institute of Supply Management said its non-manufacturing purchasing manager's index rose to 58.7 last month from a reading of 56.0 in June. Analysts had expected the index to inch up to 56.3 in July.

**Markets** opened lower despite surging gold, as investors remained risk averse amid reports of a build-up of Russian troops near the Ukraine border and as speculation picked up over Russian sanctions against the European Union. Since the open markets have focused on the strong economic data and good earnings and reversed the early losses. The **euro** steadied after sliding to a nine-month low against the **dollar**. **Brent** rose, bouncing from its lowest close in nine months and **gold** traded back above \$1,300 an ounce.

- **Athabasca Oil Corp (ATH).** The oil sands producer reported a bigger quarterly loss as it made a C\$49 million provision to settle some claims made by PetroChina Co Ltd's Phoenix Energy Holdings Ltd. Net loss widened to C\$56.8 million, or 14 Canadian cents per share, for the second quarter from C\$30 million, or 7 Canadian cents, a year earlier.

- **Blackpearl Resources Inc (PXX).** The company recorded a second-quarter net income of 1 Canadian cent per share on revenue of C\$62.2 million.

- **Canaccord Genuity Group Inc (CF).** The company reported a first-quarter net income of 20 Canadian cents per share, compared with 9 Canadian cents per share, a year earlier. Revenue during the quarter was C\$245.6 million.

- **New Flyer Industries Inc (NFI).** The company announced a second-quarter net income of 6 cents per share, compared with 3 cents per share, a year earlier.

- **Parex Resources Inc (PXT).** The company reported a net income of 24 cents per share in its second-quarter on revenue of \$183 million.

- **Savanna Energy Services Corp (SVY).** The company reported a second-quarter net loss of 13 Canadian cents per share, compared to a net loss of 10 Canadian cents per share, a year earlier. Revenue rose to C\$148 million from C\$112 million.

- **Tim Hortons Inc** (THI). The coffee and doughnut chain reported a 9.3 percent rise in quarterly revenue due to a rise in the average cheque per person. Net income was flat at C\$123.8 million in the second quarter. On a per share basis, profit rose to 92 Canadian cents from 81 Canadian cents as the company bought back shares in the quarter. The company said revenue increased to C\$874.3 million from C\$800.1 million.

#### **ANALYSTS' RECOMMENDATIONS**

- **Luna Gold Corp** (LGC). National Bank Financial cuts rating to underperform from outperform on the company's decreased production guidance for 2014
- **Saputo Inc** (SAP). National Bank Financial raises target price to C\$66 from C\$65, says the company's outlook to be supported by acquisition opportunities and capital return to shareholders
- **TMX Group Ltd** (X). National Bank Financial raises target price to C\$63 from C\$60, sees catalysts that might accelerate earnings growth in the near term

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