



## Market Summary

DOW	16766.90	+53.32	PEYTO ENERGY	35.34	-.12	POLARIS	2.42	-.05
TSE	15279.06	-12.12	WESTERN FOREST	2.40	--	CANADIAN \$	0.9196	+.0025
S&P	1961.78	+6.60	CATALYST	2.210	--	EURO	1.3393	+.0031
NASDAQ	4479.30	+26.30	CANFOR	22.73	+.19	COPPER	3.11	--
TSX VENTURE	993.20	-3.02	REDSTAR GOLD	0.045	--	CRUDE OIL	94.24	+.16
SILVER	19.60	-.31	LUMBER	344.10	--	NATURAL GAS	3.81	-.14
GOLD	1296.00	-19.70	TIM HORTON'S	67.93	-.19	PRIME RATE	3.00%	

## Market Commentary

### • BHP Billiton set to spin off unwanted assets

The diversified mining company declared its preference for a demerger of its aluminium, manganese and nickel assets, setting the stage for the formation of a separate business that one report said could be worth \$14 billion.

### • UK economy grows at fastest annual pace in over 6 years in Q2

Britain's economy kept up its strong growth in the second quarter of 2014 and its yearly pace of expansion was revised up to 3.2 percent, its best performance in more than six years, official data showed on Friday.

### • Apple starts to store user data on servers in China for first time

The iPhone maker has begun keeping the personal data of some Chinese users on servers in mainland China, marking the first time that the tech giant is storing user data on Chinese soil.

### • Coca-Cola pays \$2.2 bln for major stake in Monster Beverage

The company said Thursday it is making a cash payment of \$2.15 billion for a 16.7 percent stake in Monster Beverage Corp as the soda maker seeks to expand into faster-growing categories such as energy drinks.

### • Corrected Statscan report finds 42,000 jobs added in July, not 200

The unemployment rate declined 0.1 percentage points to 7 per cent. The Canadian dollar gained on the news.

The release of a revised Labour Force Survey comes after the federal agency took the unprecedented move Tuesday of pulling its monthly Labour Force Survey that had been released last Friday. The agency had said it uncovered an error but had declined to quantify the mistake or offer much of an explanation until Friday morning.

Statistics Canada's mistake proved to be a large one.

The main difference in the numbers is that the drop in full-time employment was not as severe as originally reported. Rather than a loss of 60,000 full-time jobs, the revised figures say 18,000 full-time jobs were lost in July. The number of part-time jobs created remains the same at 60,000.

Other key differences between the revised report and the original report are that more people are in the workforce and fewer are unemployed.

Most of the corrected gains occurred in Ontario, where employment increased by 40,000 jobs in July over the previous month. Ontario's unemployment rate stands at 7.5 per cent, unchanged from June.

"The huge upward revision is welcome news (though it doesn't help Statscan's reputation) but Canada's underlying employment situation remains soft, with job growth of just 0.9 per cent over the past year," said senior economist Benjamin Reitzes of BMO Nesbitt Burns.

### • Housing sales in July highest since early 2010

The number of existing homes that changed hands in Canada during July was the highest it's been since March 2010, the Canadian Real Estate Association said Friday.

Sales were up 7.2 per cent from July of 2013. They rose 0.8 per cent from June on a seasonally-adjusted basis, according to the association, which represents realtors across the country. That marks the sixth month in a row of rising sales.

### U.S. industrial production edged higher in July

U.S. industrial production edged higher in July, as production of auto parts and motor vehicles jumped 10.1 percent, according to data released by the Federal Reserve on Friday. Industrial production rose 0.4 percent, which was unchanged from June. The June increase was previously reported at 0.2 percent. Economists polled by Reuters had forecast industrial output rising 0.3 percent.

### • U.S. producer prices moderate as gasoline tumbles

U.S. producer prices rose marginally in July as a decline in the cost of energy goods offset higher food prices, pointing to a moderation of inflation pressures at the factory gate.

The Labor Department said on Friday its producer price index for final demand edged up 0.1 percent after a 0.4 percent rise in June. The increase was in line with economists' expectations.

Producer inflation data has been volatile since the government revamped the PPI series at the start of the year to include services and [construction](#).

**TSX** is slightly weak despite the strong jobs data and easing geopolitical tensions as gold and material stocks weigh on the index. **U.S. stocks** open higher as the easing tensions overseas and . **European shares rose** and were on track for their biggest weekly gains since mid-February. **Asian stocks** closed higher on the last trading day of the week. **The euro** was on track for its fifth week of losses against the **dollar**, and hovered near five-month lows against the **Swiss franc**. **Brent** stabilized, while **gold** is whacked after earlier edging up trying to head for a second weekly gain.

- **Algonquin Power & Utilities Corp** (AQN). The company reported a second-quarter net income of 7 Canadian cents per share on revenue of C\$189.3 million.
- **Amaya Gaming Group** (AYA). The company announced a second-quarter net income of 13 Canadian cents per share, compared with 4 Canadian cents per share, a year earlier. Revenue during the period was C\$42.5 million.
- **Equitable Group Inc** (EQB). The company reported a second-quarter net income of C\$1.65 per share, compared with C\$1.43 per share, a year earlier.
- **Imperial Metals Corp** (III). The company announced a net income of 12 Canadian cents per share, compared with 8 Canadian cents per share, a year earlier. Revenue rose to C\$51.1 million from C\$41.3 million.
- **Martinrea International Inc** (MRE). The company recorded a second-quarter net income of 28 Canadian cents per share on revenue of C\$930.9 million.
- **Bear Creek Mining Corp** (BCM). The Peruvian government said on Thursday it hopes to ease local opposition to the miner's stalled Santa Ana silver mine and avoid a costly legal battle with the company. Energy and Mines Minister Eleodoro Mayorga told Reuters that officials are rapidly building support for the project in indigenous Aymara communities and that Peru hopes to be able to allow the company to eventually restart work.
- **Bank of Nova Scotia** (BNS). Puerto Rico's electric power authority, known as PREPA, will pay an interest rate of alternate base rate plus 4 percent under credit agreements with the bank and Citibank , the utility said in a filing on Thursday. PREPA disclosed the rate in a filing on a site of the Municipal Securities Rulemaking Board.
- **Tim Hortons Inc** (THI). The coffee and donut chain hopes to lure new coffee drinkers and fend off rivals such as Starbucks Corp and McDonald's Corp with the launch throughout North America of its new dark roast blend. It may also increase prices to tackle rising costs and competition from U.S. rivals expanding in Canada, CEO Marc Caira said on Thursday.

#### ANALYSTS' RECOMMENDATIONS

- **Chorus Aviation** (CHRB). CIBC cuts rating to sector underperformer from sector performer, says the company's total return to target is the lowest amongst in the airline sector
- **Black Diamond Group** (BDI). CIBC cuts rating to sector underperformer from sector performer after the company's second quarter results came in line with consensus
- **Cervus Equipment** (CVL). CIBC cuts target to C\$22 from C\$24 after the company's second quarter results came below expectations

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