



Market Summary

DOW	15394.38	-73.28	PEYTO ENERGY	30.17	-.17	POLARIS	1.68	+.02
TSE	13289.01	+40.95	WESTERN FOREST	1.415	-.015	CANADIAN \$	0.9631	-.0090
S&P	1743.12	-11.55	CATALYST	1.16	+.01	EURO	1.3778	-.0002
NASDAQ	3897.50	-32.07	CANFOR	22.24	-.22	COPPER	3.27	-.06
TSX VENTURE	967.10	-4.58	REDSTAR GOLD	-.095	--	CRUDE OIL	97.10	-1.21
SILVER	22.67	-.11	LUMBER	359.60	-6.70	NATURAL GAS	3.85	+.04
GOLD	1336.40	-6.20	TIM HORTON'S	62.38	+.35	PRIME RATE	3.00%	

Market Commentary

• ECB, on new mission, sets out tougher bank health tests

The European Central Bank promised to put top euro zone banks through rigorous tests next year, staking its credibility on a review that aims to build confidence in the sector.

• CP Rail's profit jumps 45 pct as revenue rises, costs fall

Canadian Pacific Railway Ltd, Canada's No. 2 rail operator, reported a 45 percent jump in third-quarter profit as freight revenue rose and operating costs fell.

• Encana posts profit as oil, natural gas liquids volumes jump

Encana Corp reported its second straight quarterly profit as its oil and natural gas liquids volumes nearly doubled.

• CN Railway results get boost from energy, market share gains

Canadian National Railway Co, the focus of fresh scrutiny after one of its trains derailed and caught fire last weekend, reported a market-beating third-quarter profit and record revenue on Tuesday, as it announced a two-for-one stock split and share buyback plan.

• Bribery scandal slashes GlaxoSmithKline's Chinese drug sales

GlaxoSmithKline's drug sales in China tumbled 61 percent in the third quarter, hit by a bribery scandal that has damaged its ability to market medicines in the country.

• The Bank of Canada is abruptly abandoning an explicit warning that its key interest rate is headed higher in the face of a much gloomier economic outlook.

Cautioning that Canada is likely to grow much more slowly than it thought in the summer, the central bank now acknowledges that its next move is just as likely to be a rate cut, as an increase.

The surprise decision Wednesday to drop its so-called tightening bias – in place since April 2012 – coincides with a significant downgrade of the bank's forecast for GDP growth in Canada.

The bank is cutting its forecast for both the Canadian and U.S. economies – not just for this year, but also 2014 and 2015.

The bank pointed to an economic environment that is now “less favourable for Canada” – most notably, the painfully slow recovery from recession in the United States, Canada's main trading partner.

“Uncertain global and domestic economic conditions are delaying the pick-up in exports and business investment, leaving the level of economic activity lower than the bank had been expecting,” the Bank of Canada said in a statement.

Bank of Canada's rate decision and commentary causes Loonie to slide, **Canada's main stock index** pointed higher as concerns over tighter Chinese monetary policy weighed on investor sentiment. **Wall Street** opened lower as the US dollar gained ground. **European shares** traded lower as banks were hit by the European Central bank's asset quality review. Widespread weakness was seen in **Asian markets** on the **yen** strengthening and fading rate cut hopes in Australia. **Gold** retreated from four-week highs and **oil** fell, pressured by rising inventories in China and expectations of a further buildup in the United States.

• **Canadian National Railway Co (CNR)**. The company reported a market-beating third-quarter profit and record revenue on Tuesday, as it announced a two-for-one stock split and share buyback plan. On an adjusted basis, profits rose to C\$1.72 per share from C\$1.52 per share. Analysts were expecting a profit of C\$1.63 a share. Revenue rose 8 percent higher to C\$2.7 billion. The company will spend up to C\$1.4 billion to repurchase up to 15 million shares under its buyback program and said its stock split will take place on Nov. 29.

• **Canadian Pacific Railway Ltd (CP)**. The rail operator reported a 45 percent jump in third-quarter profit as freight revenue rose and operating costs fell. Net income climbed to C\$324 million, or C\$1.84 per share, from C\$224 million, or C\$1.30 per share, a year earlier, the company said on Wednesday. Excluding items, the company earned C\$1.88 per share.

• **Celestica Inc (CLS)**. The contract electronics manufacturer's third-quarter net profit rose 31 percent, helped by higher demand from telecom companies for its networking equipment. Net income rose to \$57.4 million, or 31 cents per share in the third quarter ended Sept. 30, from \$43.7 million, or 21 cents per share, a year earlier. Analysts on average had expected earnings of 21 cents per share.

- **Encana Corp** (ECA). Canada's largest natural gas producer reported a second straight quarterly net profit, and lowered its capital spending forecast as a part of its push to restructure operations under new CEO, Doug Suttles. The company said it now expected capital spending to be between \$2.7 billion and \$2.9 billion this year, down from \$3.0 billion to \$3.2 billion. Excluding most one-time items, the company posted operating income of \$150 million, or 20 cents per share. Analysts on average had expected 17 cents per share.
- **FirstService Corp** (FSV). The company reported third-quarter adjusted earnings of 68 cents per share compared with 63 cents, a year earlier. Revenue rose to \$608.3 million from \$559.0 million.
- **Empire Co Ltd** (EMPa). The operator of Canadian grocery chain Sobeys said on Tuesday that Canada's competition watchdog approved its acquisition of substantially all of Safeway Inc's assets in Canada.
- **Goldcorp** (G). The company has secured the environmental permit it needs to progress with its copper and gold El Morro project in the north of Chile, the miner said on Tuesday.

ANALYSTS' RECOMMENDATIONS

- **Methanex Corp** (MX). Raymond James raises target price of U.S.-listed shares to \$63 from \$58 after the company agreed to sell a 10 percent interest in EMethanex to Arab Petroleum Investments Corporation and on continued price momentum across global methanol markets
 - **Novadaq Technologies Inc** (NDQ). JMP Securities raises target price to \$20 from \$15 U.S.-listed shares following the company's third-quarter results
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