



Market Summary

DOW	17338.38	+142.96	PEYTO ENERGY	31.50	+0.07	POLARIS	1.06	-.04
TSE	14578.73	+120.04	WESTERN FOREST	2.34	--	CANADIAN \$	0.8864	-.0073
S&P	12010.08	+15.43	CATALYST	2.55	+0.20	EURO	1.2505	-.0107
NASDAQ	4625.71	+59.57	CANFOR	25.64	+0.11	COPPER	3.05	-.01
TSX VENTURE	760.40	-11.25	REDSTAR GOLD	0.004	--	CRUDE OIL	79.68	-1.44
SILVER	15.96	-.46	LUMBER	322.60	--	NATURAL GAS	3.99	+0.08
GOLD	1167.00	-31.60	TIM HORTON'S	91.05	+0.97	PRIME RATE	3.00%	

Market Commentary

• Japan shocks markets by boosting stimulus as inflation slows

The Bank of Japan shocked global financial markets by expanding its massive stimulus spending in a stark admission that economic growth and inflation have not picked up as much as expected after a sales tax hike in April.

• UK's RBS sets aside \$640 for potential FX fines, warns more to come

State-backed Royal Bank of Scotland has set aside 400 million pounds to cover potential fines for manipulating currency markets and warned further charges for past misconduct would continue to hit its profits.

• Canada's economy shrinks in August

Canada's gross domestic product unexpectedly fell 0.1 per cent in August from July, as the Canadian economy appears to have followed up its strong first half of the year with a summer stall-out.

Statistics Canada said the August decline was fuelled by slowdowns in oil and gas extraction and manufacturing, primarily in the autos sector. GDP was up 2.2 per cent from a year earlier.

Economists had expected a flat month-over-month performance, and year-over-year growth of 2.3 per cent.

Treat or Treat – BOJ says Treat on the last trading day of the week, the **Bank of Japan** surprised markets with fresh easing steps to expand the massive stimulus program which it called a pre-emptive move to stoke inflation, pushing world shares higher. TSX opened modestly high despite crude and gold taking a hit, financials are winners this morning. US markets rose sharply at the open. A stronger **U.S. dollar** pushed **gold** and **silver** down to their lowest since 2010. **Oil** was down, with Light Sweet Crude testing the low set last Monday. Crude has fallen 10 percent so far in October, its biggest monthly drop since May 2012 and **crude** lost 11 percent this month, also its worst performance since May 2012. Gold has fallen below some key support this morning.

• **Bell Aliant Inc.** (BA). The company reported net earnings of C\$59 million in the third quarter, down C\$22 million from the same quarter a year ago, driven by an increase in financial advisory, professional and consulting fees, and other costs associated with the Privatization transactions. Adjusted earnings were 44 Canadian cents per share, compared to 42 Canadian cents per share.

• **Canadian Oil Sands Ltd** (COS). The shareholder in the Syncrude Canada Ltd joint venture said on Thursday third-quarter profit fell by nearly two-thirds on foreign-exchange losses, lower commodity prices and higher expenses. The company said net income was C\$87 million or 18 Canadian cents per share, sharply down from C\$246 million, or 51 Canadian cents, in the third quarter of 2013. Its profit for the quarter was affected by a C\$73 million loss on its U.S.-denominated debt as the Canadian dollar weakened.

• **Canfor Corp** (CFP). The company reported net income attributable to shareholders of C\$45.5 million, or 34 Canadian cents per share, for the third quarter, compared to C\$28.4 million, or 20 Canadian cents per share a year ago. It reported an operating income of C\$85.6 million, compared to operating income of C\$97.3 million for the second quarter of 2014.

• **Fairfax Financial Holdings Ltd** (FFH). The company reported net earnings of \$461.2 million in the third quarter, compared to a net loss of \$571.7 million in the year ago period, reflecting net gains on its investment portfolio and improved underwriting results.

• **First Quantum Minerals Ltd** (FM). The base metal miner reported a bigger-than-expected drop in third-quarter earnings on Thursday due in part to lower copper and nickel production. The company said earnings fell to \$121.2 million, or 21 cents a share, in the three months through September, from \$143 million, or 24 cents, a year earlier.

• **Pengrowth Energy Corp** (PGF). The company posted adjusted net income of approximately C\$3 million in the third quarter, representing an improvement of approximately C\$28 million compared to the previous quarter. The company reported funds flow from operations of C\$129 million or 24 Canadian cents per share. The company maintained monthly dividend of 4 Canadian cents per share.

• **TransForce Inc.** (TFI). The company reported third quarter total revenue of C\$981 million, up from C\$775 million a year ago and adjusted net income of C\$53.7 million or 53 Canadian cents per diluted share.

ANALYSTS' RECOMMENDATIONS

- **Shawcor Ltd** (SCL). National Bank Financial cuts price target to C\$65 from C\$70; rating outperform to reflect revised estimates on oil price weakness.
- **Sirius XM Canada Holdings Inc** (XSR). CIBC cuts price target to C\$8 from C\$9.50 after recent quarterly results turned out to be softer-than-expected.
- **Transalta Corp** (TA). CIBC cuts price target to C\$11 from C\$12 on lowered guidance for third quarter after weak third quarter results.

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