



The Week of November 26<sup>th</sup> to December 2<sup>nd</sup>, 2011  
“A Brief Look Back Into Tomorrow”

## Good Afternoon

Following yet another quiet disappointing week that saw the major North American markets run their weekly losing streak to four, as investors suffered a steady barrage of U.S. Congressional Super Committee and German bond auction failures to go along with not one but two European country sovereign debt downgrades, while Americans turned to black Friday shopping therapy to ease their spirits, the weekend media reported that -

As the looking for a light at the end of the tunnel investment advisors locked their office doors last Friday, November 25<sup>th</sup>, they were very aware that the tide of extreme debt issues of Europe was in danger of spreading across the Atlantic, as for the 47<sup>th</sup> week of 2011, the Dow Jones industrial average had lost another 4.78%, with the S&P 500 Index down on the week by another 4.69% and the NASDAQ exchange off by 5.09%. To the Grey Cup celebrating north, the TSX Composite Index held its weekly loss to 3.62% while the very unadventurous TSX Venture Exchange finished the week with a disappointing loss of 6.41%.

Two of the only five new TSX 52-week trading highs established last Friday were Claymore 1-10 Corp Bond ETF (CBH.A-T) at \$20.14 and Mediagrif Interactive Techn. (MDF-T) at \$15.98, while some of the 62 new 52-week trading lows includes Atrium Innovations (ATB-T) at \$11.58, Cameco Corp. (CCO-T) at \$17.25, Canfor Pulp Products (CFX-T) at \$9.83, Cott Corp.(BCB-T) at \$6.22, EnCana (ECA-T) at \$18.62, Gildan Activewear (GIL-T) at \$23.37, Gluskin Sheff & Associates (GS-T) at \$14.42, Keegan Resources (KGN-T) at \$3.96, National Bank of Canada (NA-T) at \$63.27, NuVista Energy (NVA-T) at \$4.35, Osisko Mining (OSK-T) at \$10.32, Research In Motion (RIM-T) at \$16.76 RONA Inc. (RON-T) at \$8.64, Sun Life Financial (SLF-T) at \$18.18, TD Bank (TD-T) at \$68.13, Wall Financial (WFC-T) at \$11.49 and Western Copper and Gold (WRN-T) at \$1.58.

TD Economics - “Last week started on the wrong foot, beginning with the U.S. Congressional Super Committee’s failure to agree on US \$1.3-trillion in deficit cuts. The bottom line is we are treading extremely treacherous waters. If things go awry in Europe, there is no fiscal room across most advanced economies to buffer the impact, and monetary policy is largely a spent force. Thus, the ability of the global economy to ride out the storm is significantly less than it was in 2008. Political leaders on both sides of the Atlantic have to show they are critically aware of this.”

Whats-Trading.com - "Trading remains cautious since the poor auction of German bonds midweek raised concerns the debt crisis is spreading to Europe's core."

Scotia Capital Inc. - "The threat that the crisis is more aggressively migrating into the core economics is real. A euro-bond issue runs the risk of bringing Europe's credit crisis more aggressively into Germany. That, in turn, could severely test the resolve of German voters to backstop major European Union initiatives."

TD Bank Financial - "Contagion has increased dramatically in the past month. This feels a lot like 2008 before Lehman Brothers failed. There are a lot of strains in the financial system and a lot of calls for action and none of those calls for action is producing outcomes."

Going almost unnoticed last Friday was Statistics Canada's report that this country's budget deficit shrank by \$1.4-billion in September from the same month just one year ago to \$2.5-billion, mainly due to a \$1.2-billion or 6.8% increase in taxation revenues.

Dynasty Metals & Mining (DMM-T) shares' rose by \$0.62 or 25.62% last Friday on word that the Government of Equator are close to introducing its new mining laws.

The Asian Development Bank reports that from 1990 to 2008, 1.89-billion people, or 3-times the norm, rose to the ranks of middle class in developing Asia.

While on a related note, the International Air Transport Association reports that Beijing Capital International Airport, with nearly 74-million travelers a year, has surpassed London's Heathrow Airport as the world's 2<sup>nd</sup> busiest airport behind Atlanta.

Bertie Charles Forbes - "Vitality important for a young man or woman is, first to realize the value of education and then to cultivate earnestly, aggressively, ceaselessly, the habit of self-education."

### **And then on Monday, November 28<sup>th</sup> -**

The new post Black Friday trading week starts on a optimistic note that is further enhanced by word that Euro-zone leaders had agreed on an enforceable fiscal pact for the region.

**Plus, the National Retail Federation reports that U.S retail sales rose by 16.4% last Friday over the same Black Friday in 2010 to US \$52-billion.**

BMO Capital Markets - "U.S. consumers are hanging in there and the robust results from the weekend attest to the fact that they are not down for the count."

Meanwhile, the U.S. Commerce Department reports that American new home sales

rose by 1.3% in October to a seasonally adjusted 307,000 units.

Suntrust Bank - "This looks like a bottom. The U.S. housing market is stabilizing.

Cameco Inc. (CCO-T) announces it will gracefully back out of the bidding war for Hathor Explorations (HAT-T) leaving the management endorsed \$4.70 a share bid of Rio Tinto (RIO-N) as the likely winner for the Saskatchewan uranium junior.

The shares' of CANMARC REIT gain \$2.54 or 19.13% to \$15.82 when the real estate entity receives an unsolicited \$15.30 per unit all-cash takeover bid from rival Cominar REIT (CUF.UN-T).

Similarly, the share price of Commercial Metals (CMC-N) gain \$2.72 or 23.76% to US \$14.17 when Carl Icahn offers an unsolicited US \$1.73-billion for the scrap metal company.

Pretium Resources (PVG-T) shares' surge by \$1.79 or 21.36% to \$10.17 when the mineral developer reports a significant increase in the gold resource at its Brucejack project in northern British Columbia.

**Gold bullion gains \$25.10 to once again rise above \$1,700 to close at US \$1,710.80 an ounce.**

**The NASDAQ Exchange rises by 86-points to once again cross above 2,500 to end the day at 2,527.**

Brian Tracy - "Confidence on the outside begins by living with integrity on the inside."

**Tuesday, November 29<sup>th</sup> -**

Monday's 'we're riding on the backs of the American consumer' triple digit market gains left Canaccord's Morning Coffee to report 13 new 52-week trading highs and a reduced 37 new 52-week trading lows. Five of new highs of interest were AltaGas Ltd. (ALA-T) at \$30.51, CANMARC REIT (CMQ.UN-T) at \$15.82, H&R Real Estate Investment Trust (HR.UN-T) at \$23.11, Pembina Pipeline Corp. (PPL-T) at \$29.45 and Peyto Exploration & Development (PEY-T) at \$24.01, while a few of the new lows of note includes Agnico-Eagle Mines (AEM-T) at \$41.73, Air Canada (AC.A-T) at \$1.01, BNK Petroleum (BKX-T) at \$1.42, Churchill Corporation (CUQ-T) at \$10.94, Entrée Gold (ETG-T) at \$1.08, Golden Minerals (AUM-T) at \$6.28, International Minerals (IMZ-T) at \$5.83, Patheon Inc. (PTI-T) at \$1.12, Sears Canada (SCC-T) at \$12.15, TAG Oil Ltd. (TAO-T) at \$5.11 and WestJet Airlines (WJA.A-T) at \$11.30.

CMC Markets - "The main drivers of Monday's enthusiasm have been strong Black Friday retail sales over the weekend, which suggest that the U.S. economy

continues to turn the corner, and renewed optimism that European politicians will be able to make progress toward a resolution to their debt crisis.”

Canaccord’s Junior Mining Weekly - “It’s been a tough year for many junior mining companies. Hot trends have turned chilly, like uranium, specialty metals (lithium, cobalt), PGMs, and even many steadfast copper and gold explorers have succumbed to the risk aversion of the market. Management groups that took advantage of one of the many strong, previous financing windows, and raised capital to advance their once high profile assets, are in a bittersweet scenario. Many of these ‘bittersweet’ companies have had a severe correction in share price, but continue to maintain a strong cash balance, which allows them to advance their projects.”

The U.S. Commerce Department reports their Index of Consumer Confidence rose in November to a higher than expected level of 56.0.

**And the shopping experience carried over to the new week as com.Score Inc. reports that Cyber Monday’s online sales rose by 22% from the same day last year to US \$1.25-billion.**

Statistics Canada sites an increase in exports as reports the country’s current account deficit declined in the 3<sup>rd</sup> quarter to \$12.1-billion, and stating - “The majority of the export strength in the quarter reflected trade with countries other than the United States.”

The shareholders’ of AMR Corp. (AMR-N) are stunned to see their investment plunge by \$1.30 or 80.24% to US \$0.32 when the parent company of American Airlines sites a failed labour agreement as it applies for Chapter 11 bankruptcy protection.

The shares’ of Corning Inc. (GLW-N) fall by \$1.60 or 10.83% to \$13.18 when the glass maker reports that one of its Korean customers had decided not to honour a television screen contract.

RMP Energy (RMP-T) shares’ rise by \$0.24 or 12.31% to \$2.19 when the petroleum explorer reports an improved operations update for its Waskahigan Project.

Germany’s K+S AG, Europe’s largest potash producer announces it will move ahead with construction of the \$3.2-billion Legacy potash mine, north of Moose Jaw Saskatchewan, the first such mine to receive a go-ahead in the past 40-years.

The MacDonald Laurier Institute - “More food will be eaten in the next half century than has been eaten by human beings since the dawn of history.”

### **Wednesday, November 30<sup>th</sup> -**

Yesterday's consumer confidence led market rally leaves the TSX to report 14 new 52-week trading highs and an increased 56 new trading lows. Four of the new highs of note include Algonquin Power & Utilities (AQN-T) at \$6.07, Calloway REIT (CWT.UN-T) at \$27.00, Distinction Group (DG-T) at \$4.46 and Intertape PolymarGroup (ITP-T) at \$2.99, while a mix of the interesting new lows were Allon Therapeutics (NPC-T) at \$0.16, Arctic Glacier Income Fund (AG.UN-T) at \$0.04, Davis & Henderson (DH-T) at \$14.70, International Tower Hill Mines (ITH-T) at \$4.68, Kimber Resources (KBR-T) at \$1.00, Lifeco Split Corp. (LSG-T) at \$5.20, Perigrine Diamonds (PGD-T) at \$0.67, San Gold Corp. (SGR-T) at \$1.61, Stornoway Diamonds (SWY-T) at \$0.9 and Wesdome Gold Mines (WDO-T) at \$1.72.

KeyCorp - "Consumer confidence will be critical to how we weather the next few months. Everybody is still on the edge of their chair about whether or not you get the financial crisis solved in Europe."

Jones Villalta Asset Management - "There seems to be some movement on the European front, but things certainly haven't been resolved. Financials are taking a step back, and are kind of keeping a cap on the market as a whole."

Notley's Notes - "The latest short term downtrend is maturing. 88% of mature and developed markets are now in the termination phase, the termination phase of decline preparatory to the next uptrend revival. They'll all turn up together; all markets are within striking distance of trend reversal."

The trading day begins on an up-note on word that the People's Bank of China had lowered the reserve ratio of its banks by 0.5% to 21% and that U.S. Federal Reserve, the European central Bank, along with the central banks of Canada, England, Japan and Switzerland were ready to help European commercial banks to move money.

The U.S. ADP Employment review reveals that the American private sector produced a much better than expected 206,000 new jobs in November.

Meanwhile, the Chicago Purchasing Managers Index rose in November to a better than expected level of 62.6.

And the U.S. National Association of Realtors reports that pending home sales rose by a much better than expected 10.4% in October.

The shareholders' of Goldbrook Ventures (GBK-V) were pleased to see their investment surge up by \$0.08 or 53.33% to \$0.23 on word the mineral explorer had might receive a \$0.30 all-cash take-over bid from Jilin Jein Nickel.

GLG Life Tech (GLG-T) shares' gain \$0.37 or 47.44% to \$1.15 when the flowers and fragrance company signs a renewable 5-year product supply agreement with International Flavours & Fragrances (IFF-T).

The shares' of Uranerz Energy (URZ-T) climb by \$0.20 or 11.36% to \$1.96 when the emerging uranium producer signs a processing agreement with industry giant Cameco Inc. (CCO-T).

**Crude oil gains \$0.57 to once again climb above \$100 and close at US \$100.36 a barrel.**

**The TSX Composite index rises by 472-points to once again cross above 12,000 and end the day at 12,204.**

**The Dow Industrials improve by 489-points to once again climb above 12,000 and close at 12,041.**

**The S&P 500 Index gains 52-points to once again rise above 1,200 to end the day at 1,247.**

**The closely watched CBOT Volatility Index or VIX falls by 2.88-points to once again drop below 30 and close at a much calmer level of 27.76.**

Technical Research Assistance - "The average dissatisfied customer tells nine others of their dissatisfaction, while the average satisfied customer tells only five."

#### **Thursday, December 1<sup>st</sup> -**

Wednesday's 'thank Gawd for the central banks' 2½-year high triple digit market rally leaves the TSX to report an improved 28 new 52-week trading highs and a reduced 30 new lows. A number of the notable new highs include Algonquin Power & Utilities (AQN-T) at \$6.13, Black Diamond Group (BDI-T) at \$17.16, Cogeco Cable (CCA-T) at \$51.40, Dollarama Inc. (DOL-T) at \$39.93, Great Canadian Gaming (GC-T) at \$9.11, La Mancha Res. (LMA-T) at \$2.79, Metro Inc. (MRU.A-T) at \$51.39, Spartan Oil Corp. (STO-T) at \$3.35, Trilogy Energy (TET-T) at \$37.40 and Whitecap Resources (WCP-T) at 48.51, while a mix of the new lows of note includes Acadian Mining (ADA-T) at \$0.19, Cash Store financial Services (CSF-T) at \$6.41, Genuum Corp. (GND-T) at \$5.57, Khan Resources (KRI-T) at \$0.20, Polar Star Mining (PSR-T) at \$0.30, Superior Plus (SPB-T) at \$5.21 and Witwatersrand (WGR-T) at \$4.99.

McLean & Partners - "This was absolutely the right move. It was clear that China and the other central banks needed to act."

ContiGroup - "You don't have to fix everything, you have to be on a path towards fixing things. Markets will reward you for the efforts you are making as long as you are moving in the right direction."

Eric Sprott - "It's a bit of a sign of desperation. The three words that come to mind are 'print', 'print', 'print'. That's essentially what's happening here. They're making liquidity available to anybody who wants it on the easiest terms possible."

Technical analysts Olaf Sztaba & Ron Meisels - "As in the past downtrends, the 200-day moving average acted as a deterrent once again. This fact alone confirms that the longer trend remains negative. In the short-term, buyers may support the market and give way to more Santa Claus rallies. How the market behaves near mid-December onward will set the stage for early 2012."

China reports its Purchasing Manager Index (PMI) fell by 1.4-points in November to fall below the contraction level of 50 to end the month at 49.0.

The U.S. Commerce Department reports that their construction spending rose by 0.8% in October to US \$798.5-billion.

Gildan Activeware (GIL-T) shares' plunge by \$7.87 or 32.10% to \$16.65 when the t-shirt company reports lower than expected 4<sup>th</sup> quarter financials and worse yet, offers a weaker guidance going forward.

The shares' of La-Z-Boy (LZB-N) rise by \$1.66 or 16.77% to US \$11.56 when the reclining chair company reports its 2<sup>nd</sup> quarter profit more than doubled from the same quarter one year ago.

The shareholders' of Magma Design (LAVA-Q) are pleased to see their investment surge up by \$1.44 or 25.17% to US \$7.16 when the chip design company receives a US \$507-million takeover offer from Synopsys (SNPS-Q).

The shares' of Peregrine Diamonds (PGD-T) rebound back up by \$0.17 or 26.98% to \$0.80 when mining giant BHP Billiton (BHP-N) reiterated that it continue to be part of the diamond explorers projects in northern Canada.

Rosalia de Castro - "I see my path, but I don't know where it leads. Not knowing where I'm going is what inspires me to travel it."

### **Friday, December 2<sup>nd</sup>, Short Strokes –**

Yesterday's 'taking a breath' mixed day of trading leaves the TSX with 30 new 52-week trading highs and 25 new lows. Some of the notable new highs were Argonaut Gold (AR-T) at \$7.14, BCE Inc. (BCE-T) at \$40.04, Empire Company (EMP.A-T) at \$64.24, H&R Real Estate Investment Trust (HR.UN-T) at \$23.48, Provident Energy (PVE-T) at \$10.03, Shoppers Drug Mart (SC-T) at \$43.28, TELUS Corp. (T-T) at \$55.77 and Tim Hortons (YHI-T) at \$52.75, while a few of the notable new lows include Big 8 Split (BIG.A-T) at \$14.36, Insignia Energy Ltd. (ISN-T) at \$0.98, Macarthur Minerals (MMS-T) at \$0.95, Pilot Gold (PLG-T) at \$1.00, Terra Energy

(TT-T) at \$0.50 and Velan Inc. (VLN-T) at \$12.35.

Kirr Marbach & Co. – “Yesterday’s action was just a reaction from the day before, which was such an impressive move that we feel pretty good if we just held close to even.”

CMC Markets – “Overall, it was not a bad day. Markets have paused to catch their breath before another round of major events.”

Statistics Canada reports that the economy shed a net 18,600 jobs in November and that the unemployment rate rose by another 0.1% to 7.4%.

To the south, the U.S. Labor Department reports their economy created 140,000 new jobs in November and that their unemployment rate fell by a better than expected 0.4% to 8.6%.

The Wall Street Journal reports that Americans’ increased their annual savings rate by 0.2% in October to 3.5%.

Similarly, TransUnion reports that Canadians have lowered their average non-mortgage debt for a third consecutive month to.....\$25,594.

Forbes ranks the Toronto Maple Leafs with a estimated value of US \$521-million as the National hockey League’s most valuable team.

Statistics Canada reports the average weekly Canadian wage rose by 1.1% in the past year to September to \$872.75 a week.

Statistics Canada also reports that an increase in exports helped the economy to expand in the 3<sup>rd</sup> quarter by an annualized 3.5%.

The EIA estimates that at 1.2575-quadrillion cubic feet, China has 50% more shale natural gas than the United states.

General Motors (GM-N) reports that in light of recent reports of battery fires, it will buy back any Chevy Volt from a customer who is worried about the safety of their electric car.

And under the heading of ‘Help wanted’ – Canadian underwear icon Stanfield’s Ltd. is advertizing for an average looking Canadian to be the focus of their new ‘A Guy At Home In His Underwear’ campaign. (Thee of us are looking at each other....).

The shares’ of Research In Motion (RIM-T) fall by \$1.73 or 9.20% to \$17.08 when the lackBerry maker advises that it won’t meet its full year sales and earnings guidance.

Canaccord's Debbie Lewis - "I've only been wrong once. And that's when I thought I was wrong."

### **For the Week so far-**

The DJIA gained 787-points to 12,019, the S&P 500 gained 85-points to 1,244, the TSX gained 613-points to 12075, the NASDAQ gained 186-points to 2,627, and the JVX gained 52-points to 1,557.

Gold gained \$62.20 to \$1,750.70, Silver gained \$1.61 to \$32.70, Crude Oil gained \$4.24 to \$101.01, Natural Gas lost \$0.08 to \$3.59 and Copper gained \$0.31 to \$3.59.

The CRB Commodities Index followed base metals, precious metals, crude oil, and soft commodities higher to gain 8.10-points to end the week at 313.55.

The Canadian dollar gained 2.85-cents against its American counterpart to close the week at US \$0.9814 and the Euro gained 1.71-cents against the greenback to end the week at US \$1.3403.

### **And Finally -**

A study by Boston College's Center for Aging and Work finds that workers under the age of 30 experience the highest level of job satisfaction, with those 50 and older having the 2<sup>nd</sup> highest job satisfaction rate, while those 30-39 seem to like their work the least.

Interesting times.....and thanks.

**Rod Blake, ASCT**  
*Investment Advisor*  
[rod.blake@canaccord.com](mailto:rod.blake@canaccord.com)  
T: 604.643.7567

**Jason Tomkinson, BA (Econ)**  
*Investment Advisor*  
[jason.tomkinson@canaccord.com](mailto:jason.tomkinson@canaccord.com)  
T: 604.661.7845

**Meghan Flather**  
*Administrative Assistant*  
[meghan.flather@canaccord.com](mailto:meghan.flather@canaccord.com)  
T: 604.643.7333

**Evan Davies**  
*Administrative Assistant*  
[evan.davies@canaccord.com](mailto:evan.davies@canaccord.com)  
T: 604.643.7065

**Looking for investment or trading ideas? Give us a call, we can help. Toll free 1-800-663-1899.**

To view previous editions of “The Week”, “Articles of Interest” or to learn more about The Blake Tomkinson Group please visit our website at [www.rodneycastle.com](http://www.rodneycastle.com).

**Our mission is to maximize the value of your portfolio through a dedication to investigation, research and innovative ideas, and to enhance your investment experience by providing the highest level of attention to detail and service available in the financial community.**

Sources: Bloomberg, Thomson Reuters, MarketWatch, Globe & Mail, Wall Street Journal, Dow Jones, Financial Times, National Post, Briefing.com, Credit Suisse, and StreetAccount.

Disclaimer: This publication is a general market commentary and for informational purposes only, it does not constitute a research report and does not contain investment advice. This commentary has been prepared using sources believed to be accurate and true. This material is not complete information respecting any security and therefore is not a sufficient basis on which to base an investment decision. The information contained in this commentary is drawn from sources believed to be reliable, but the accuracy and completeness of the information is not guaranteed, nor in providing it does Rod Blake, Jason Tomkinson, Canaccord Genuity Corp. or its subsidiaries, or affiliated companies, assume any liability. This information is current as of the date appearing in this commentary, and neither Canaccord Genuity Corp. nor Rod Blake nor Jason Tomkinson assume any obligation to update the information or advise on further developments relating to these securities. This commentary is intended for distribution in those jurisdictions where Canaccord Genuity Corp. Rod Blake and Jason Tomkinson are registered as advisors or dealers in securities. Any distribution or dissemination of this commentary in any other jurisdiction is strictly prohibited. The information does not constitute an offer or solicitation in any jurisdiction in which such an offer or solicitation is not authorized, or to any person to whom it is unlawful to make such an offer or solicitation. Canaccord Genuity Corp. and holdings of its respective directors, officers and employees and their associations, from time to time may buy or sell any securities mentioned herein. This message is intended only for the use of the individual or entity to which it is addressed and may contain information which is privileged, confidential or subject to copyright. Internet communications cannot be guaranteed to be secure or error-free as information could be intercepted, corrupted, lost, arrive late or contain viruses. Canaccord Wealth Management is a division of Canaccord Genuity Corp., a Member of the Canadian Investor Protection Fund.