



The Shortened Week of November 5th to November 10th, 2011
“A Brief Look Back Into Tomorrow”

Good Afternoon

Following an bizarre week that saw the major north American markets give up some of October's hard fought gains as the almost comical will they or won't they affairs of Greece and the European Union drew investors attention away from promising United States labour reports, to deploy more uncertain capital into gold bullion and the U.S dollar, the weekend media reported that -

As the frustrated investment advisors made for home last Friday, November 4th, they knew that if not for the distracting soap opera of events playing out in Europe, the domestic markets would have pushed their weekly gains to five, but as it were, for the 44th week of 2011, the Dow Jones Industrial Average gave back a disappointing 2.40%, with the S&P 500 Index falling by 2.48% and the NASDAQ off on the week by 1.87%. North of the border, the gold bullion and crude oil sensitive TSX Composite Index managed to hold its weekly loss to 0.895 while the contrarian TSX Venture Exchange managed a weekly gain of 1.12%.

A few of the notable 52-week TSX trading highs established last Friday were Canadian Wireless Trust (CDW.UN-T) at \$10.25, Calloway REIT (CWT.UN-T) at \$26.64, Great Canadian Gaming (GC-T) at \$8.60, Inter Pipeline Fund (IPL.UN-T) at \$18.07, Miranda Technologies (MT-T) at \$8.50, Newmont Mining (NMC-T) at \$70.86 and Shoppers Drug Mart (SC-T) at \$42.96, while some of the 16 new 52-week trading lows of note include Allied Gold Mining (ALD-T) at \$2.02, Cardiome Pharma (COM-T) at \$2.82, Gluskin Sheff & Assoc. (GS-T) at \$15.01, Norsat International.(NII-T) at \$0.47, Polaris Minerals(PLS-T) at \$0.29, Skope Energy (SKL-T) at \$5.86 and Sun Life Financial (SLF-T) at \$22.11.

Tradition Energy - “The October U.S. jobs report, though below expectations, contains an upward revision, so it's really not bad at all.”

Moody's Analytics - “U.S. hiring is not booming, but we don't think there is any sign of recession. The risk of the economy falling into a second recession over the next 6 to 12-months has been reduced, but we still have a long way to go.”

High Frequency - “Overall, while the U.S. employment report is not good enough, several key numbers are now moving in the right direction.”

MKS Finance - “Gold has done well. There's uncertainty about Europe, and the market is still concerned that the economy will falter.”

Vision Financial - "It's the U.S. dollar that's been keeping gold quiet. People want to hear something concrete from the G20 leaders."

The Bank of Canada's governor Mark Carney was appointed by the G20 nations to head the very influential financial stability Board.

Mark Carney - "My appointment reflects the strong reputation of Canada's financial system and the leading role that Canada has played in helping to develop many of the most important international financial reforms."

Anglo-American PLC (AAL-L) purchased the remaining 40% interest in De Beers from the founder Oppenheimer family in a US \$5.1-billion all-cash deal to give the London based world's largest miner an 85% interest in the giant South African world's largest diamond giant.

Sources close to Anglo American- "In some Chinese cities, you've got 80% of brides having diamond engagement rings bought for them. That didn't even exist in their culture 10-years ago. It gives you an indication of the demand growth from a cultural perspective."

EcoSynthetix (ECO-T) shares' rose by \$1.32 or 20.31% to \$8.82 last Friday when the eco sensitive renewable chemical company brought on a new production line in the Netherlands.

TELUS (T-T) executive vice-president Joe Natale - "Years ago, all great technology developments originally came from the military. From there they went to large business, then they made their way to small business. Eventually they went to the consumer. That's completely upside down now. When you think about the advent of the internet, and all these great devices that are out there from tablets to smartphones and all kinds of clever capabilities, the consumer now is first in line and top of mind, and driving a lot of technological innovation that's then making its way into business and eventually to government and the military."

And then on Monday, November 7th -

The markets brace for an uneasy opening to the new trading week with the hope that the first name to come across the tape isn't.....Greece, (or Italy).

Notley's Notes - "The first intermediate downleg of the new bear is complete and its recovery correction is underway, 4-weeks old, and is still developing."

Under our continuing heading of 'Leading Indicator' - Warren Buffett's reports his flagship company, Berkshire Hathaway (BRK.A-N), purchased a 15-year high US \$23.9-billion of investments in the 3rd quarter.

Cameco Corp. (CCO-T) shares' fall by \$1.42 or 6.52% to \$20.35 when the uranium giant reports 3rd quarter financials that failed to live up to the streets expectations.

The shareholders' of DreamWorks (DWA-N) are please to see their investment rise by \$2.08 or 11.96% to US \$19.47 on industry reports that the pre-Christmas increase in moviegoer traffic had begun.

The shares' of Romarco Minerals (R-T) gain \$0.14 or 14.58% to \$1.10 when the mineral developer reports more encouraging drill hole gold assays from its Haile Gold Mine project in South Carolina.

Crude oil rises by \$1.26 to once again cross above \$95 to end the day at US \$95.52 a barrel.

The closely watched CBOT Volatility Index or VIX eases by 0.24-points to once again fall below 30 to close at a slightly more secure level of 29.92.

Jim Rohn - "Don't take the casual approach to life. Casualness leads to casualties."

Tuesday, November 8th -

Monday's Greece didn't pull us down moderately optimistic day of trading leaves Canaccord's Morning Coffee to report an improved 25 new 52-week trading highs to go along with a lesser 13 new lows. A mix of the new highs of interest includes Argonaut gold (AR-T) at \$6.85, Canadian National Railway (CNR-T) at \$80.72, Coastal Energy (CEN-T) at \$13.13, Enbridge Inc. (ENB-T) at \$35.62, Huntington REIT (HNT.UN-T) at \$8.05, Intact Financial (IFC-T) at \$59.82, Pacific Northern Gas (PNG-T) at \$37.60 and Paramount Resources (POU-T) at \$28.09, while five of the new lows of note were Altus Group (AIF-T) at \$2.80, Canadian REIT Income Fund (RIU.UN-T) at \$9.00, Harte Gold Corp. (HRT-T) at \$0.26, Pacific & Western Credit (PWC-T) at \$1.29 and Molson Coors Canada (TPX.B-T) at \$39.89.

RidgeWorth Capital Management - "The market appears to be at the mercy of Europe's news flow. They are going through the sausage-making process of crafting a solution."

CMC Markets Canada - "The big story continues to be European debt crisis with the current focus on Italy having the highest potential to move the markets in the short term."

Technical analysts David Tippin & Ron Meisels - "Last week's small 1/3rd pull back of the October Rally, and the potential upside target, suggests that the S&P 500 is not yet finished rallying. Another upleg taking the index firmly above 1,300 is very possible....The Doe Jones Industrials are now in the most promising technical position since August. The short-term resistance of August-September has been conquered, and other zones of overhead resistance appear to be weakening....The

TSX Composite index is showing the best signs of the last 6-months, that it is making a serious attempt to reverse its downtrend.”

Aecon Group (ARE-T) shares' gain \$0.75 or 8.16% to \$9.94 when the structural engineering firm reports better than expected 3rd quarter financials.

The shares' of Amylin Pharma (AMLN-Q) plunge by \$1.20 or 10.98% to US \$9.73 on word that it and ELI Lilly had terminated their joint developing of their diabetes drug Byetta.

The shareholders' of Rodinia Lithium (RM-V) are please to see their investment surge up by \$0.09 or 41.86% to \$0.31 when the mineral explorer releases an encouraging preliminary economic assessment (PEA) for its Salar de Diablillos lithium brine project in Salta Province, Argentina.

Toll Brothers (TOL-N) shares rise by \$1.33 or 7.35% to US \$19.43 when the U.S. luxury homebuilder reports a better than expected year-over-year 15% increase in 4th quarter home orders.

Canadian Finance Minister Jim Flaherty faces reality and extends his target of balancing the country's books out by one more year to 2016-17 and stating - “We will not be bound by ideology when it comes to making decisions to keep our economy strong and protect Canadians, their financial security and their jobs. We have responded to critical situations with flexibility and pragmatism, and we will continue to do so as situations dictate.”

Stock markets throughout the world start to roll over on word that the interest rate of the key 10-year Italian treasury bond had suddenly risen to a 14-year high of 6.79% on word that Prime Minister Silvio Berlusconi was prepared to resign.

Mark Sanborn - “I work because I need to and because I want to. There is satisfaction in work well done. Good work produces value and isn't just a means to an end but an opportunity to be a productive, contributing member of society. Work helps give life purpose and structure.”

Wednesday, November 9th -

Yesterday's, it looks like Italy will pass their austerity measures program, cautiously optimistic trading leaves the TSX with an improved 47 new 52-week trading highs to go along with 11 new lows. A few of the interesting new highs includes AltaGas Ltd. (ALA-T) at \$30.35, Allied Properties REIT (AP.UN-T) at \$24.55, BCE Inc. (BCE-T) at \$39.97, Celtic Exploration (CLT-T) at \$26.97, EnerCare Inc. (ECI-T) at \$8.20, IAMGOLD Corp. (IMG-T) at \$23.79, Midas Gold (MAX-T) at \$4.80, Royal Gold (RGL-T) at \$84.05, Whitecap Resources (WCP-T) at \$7.82 and Wenzel Downhole Tools Ltd. (WZL-T) at \$2.52, while four of the new lows of interest were Ainsworth Lumber Co. (ANS-T) at \$1.40, Astral Media (ACM.B-T) at \$33.75, Canfor Pulp

Products (CFX-T) at \$11.11 and 20-20-Technologies (TWT-T) at \$2.60.

Notleys Notes - "Five long term cyclic bulls have unfolded over the last 11-years for gold since the secular advance originated. The current cyclic bear is 8-months old and has taken the form of a sideways congestion, setting up this sector with a solid base from which to originate the next and 6th long term cycle bull. New cyclic and secular highs will be quickly achieved once the new bull starts, producing yet another period of strong relative out performance."

China reports its inflation rate eased by 0.6% in October to an annualized 5.5%.

CB Gold (CBJ-V) shares' fall by \$0.33 or 19.30% to \$1.38 when the company issues a revision to some drill hole gold assays from a previous report.

The shares' of Canadian Overseas (XOP-V) rise by \$0.05 or 11.76% to \$0.48 when the petroleum explorer reports a light-oil discovery on its Central North sea Block 22/15 Esperanza prospect.

General Motors (GM-N) shares' drop by \$2.73 or 10.90% to US \$22.31 when the American Automaker reports a 15% decline in 3rd quarter profit.

Under the heading of 'strength In Numbers' – AOL (AOL-N), Microsoft (MSFT-Q) and Yahoo! (YHOO-Q) announce they have established an advertizing partnership in a joint effort to combat Google (GOOG-Q) and Facebook for online advertizing.

The DJIA plunges by 389-points to fall below 12,000 and close at 11,781.

The Volatility Index or VIX surges up by 8.93-points to once again rise above 35 and end the day at a very more nervous level of 36.41.

Thomas Sowell - "We hear about the haves and the have-nots. Why don't we hear about the doers and the do-nots."

Thursday, November 10th, Short Strokes –

Wednesday's 'Oh my gawd. Now Italy's going down!' triple digit market losses leaves the TSX with 25 new 52-week trading highs and 27 new 52-week lows. Four of the notable new highs were Coastal Energy (CEN-T) at \$14.50, EnerCare Inc. (ECI-T) at \$8.38, Morguard Corp. (MRC-T) at \$76.00 and Prime Restaurants (EAT-T) at \$6.85, while five of the notable new lows include Anglo Pacific Group (APY-T) at \$4.20, easyhome (EH-T) at \$5.90, Horizons NYMEX Natural Gas ETF (HUN-T) at \$3.70, Peregrine Diamonds (PGD-T) at \$0.87 and Research In Motion (RIM-T) at \$18.42.

Toronto-Dominion Bank – The situation has become infinitely worse. With almost €2-trillion in debt, Italy has enormous borrowing requirements in the coming year. If

rates hold at current levels, they're going to have enormous difficulty meeting their obligations."

CMC Markets – "This has raised a number of new questions over whether Italy needs to be bailed out or if the threat of one will be enough to get politicians moving on necessary reforms...This has left many with the sense that they're just fiddling while Rome is burning and leaving questions over who if anyone is actually in charge."

International Monetary Fund (IMF) managing director Christine Lagarde – "There are clearly clouds on the horizon...particularly in the advanced economies and particularly so in the European union and the United States."

Economist David Rosenberg – "Over the next two to three years, I expect bond investors to prosper. This isn't to suggest that you should dump all your stocks to buy bonds. But my advice would be to maintain a reasonable percentage of bonds in your portfolio, given your age and risk tolerance."

The Bank of Greece reports its people withdrew as much as €5-billion or 3% of their total deposits...last week.

The U.S budget deficit drops by a unexpected US \$82.0-billion in October to US \$58.5-billion.

Technical analysts Don & Jon Vialoux - "The period of seasonal strength in the metals and mining sector is approaching."

Teck Resources (TCK.B-T) CEO Don Lindsay - "Long term, the macro trend is still in place - 1.3-billion people in China want a better life. They are going to work hard to get it, and they are going to use a lot of commodities in doing so."

United parcel service estimates it will hire 10% or 55,000 more seasonal workers across the U.S. for this holiday season.

Canaccord Genuity reports that for the 1sttime since 1976, the dividend yield of the DS World Gold Mining Index is higher than the yield of U.S. 5-year treasuries.

Bespoke reports that 85% of the S&P 500 issuers are trading above their 50-day moving averages.

The U.S. Census Bureau reports that 16% or 49.1-million Americans are now living in poverty.

The Obama administration is proposing a 15% tax on Christmas trees to help fund the Christmas Tree Promotion Board to promote natural Christmas trees.

Canaccord's Debbie Lewis - "Lack of planning on YOUR part does not constitute an emergency on MY part."

For the Week so far-

The DJIA lost 44-points to 11,894, the S&P 500 lost 7-points to 1,240, the TSX lost 299-points to 12,109, the NASDAQ lost 61-points to 2,625, and the JVN lost 25-points to 1,625.

Gold gained \$3.30 to \$1,762.60, Silver lost \$0.09 to \$34.01, Crude Oil gained \$3.36 to \$97.70, Natural Gas lost \$0.16 to \$3.74 and Copper lost \$0.20 to \$3.36.

The CRB Commodities Index, followed base metals, natural gas and soft commodities lower to lose 1.67-points to end the week at 318.77

The Canadian dollar lost 0.03-cents against its American counterpart to close the week at US \$0.9829 and the Euro lost 1.67-cents against the greenback to end the week at US \$1.3604.

And Finally -

Under the heading of 'Freedom 66 - Statistics Canada suggests we plan on working longer as their study of work trends reveals that a current 50-year-old worker could expect to be in the labour force for another 16-years, some 3½-years longer than a person of the same age in the 1990's would have been expected to work.

And Finally, Finally - We are calling it a 'week' here today as we plan on taking tomorrow remember our veterans with the respect they so greatly deserve. We'll include any events from tomorrow in our commentary next week.

Rod Blake, ASCT
Investment Advisor
rod.blake@canaccord.com
T: 604.643.7567

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

Meghan Flather
Administrative Assistant
meghan.flather@canaccord.com
T: 604.643.7333

Evan Davies
Administrative Assistant
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.rodneyblake.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.