



The Week of February 5<sup>th</sup> to February 11<sup>th</sup>, 2018  
“A Brief Look Back into tomorrow”

**Good day**

The new trading week began on **Monday, February 4<sup>th</sup>** with the major North American markets looking somewhat suspect to a correction – to which technical analysts **David Tippin & Ron Meisels** commented – “**We continue to expect that a pullback in this overbought market will occur...**” (For a complete copy of this report please contact [Rod.Blake@Canaccord.com](mailto:Rod.Blake@Canaccord.com))

**Jerome Powell** steps in and **takes over the position of Chairman of the U.S. Federal Reserve Board** recently vacated by **Janet Yellen**.

Another marijuana company made an alliance with a retailer as **Aurora Cannabis ‘ACB-T’** announced it had **agreed to purchase 19.9% of Liquor Stores ‘LIQ-T’** in an all-cash deal of some **\$103.5-million**.

**Wells Fargo ‘WFC-N’ shares’** fell by over **9% to US\$58.16** after the **U.S. Fed imposed further regulatory restrictions** on America’s 3<sup>rd</sup>-largest bank.

The **Dow Industrials** collapsed by a record **1,178-points** to erase any gains for the year and close at **24,343**.

Conversely – the **Volatility Index or VIX** skyrocketed up by **20-points** to close at a new **2½-year high of 37.32**.

**Tuesday, February 6<sup>th</sup>** saw the **Government of Alberta** announce the **banning of British Columbian wines** in retaliation to the BC Government efforts to stop the Trans mountain Pipeline expansion.

**Element Fleet Management ‘EFN-T’ shares’** plunged by almost **29% to \$5.67** after the company failed to impress the street with its latest strategic update.

The price of **General Motors ‘GM-N’ stock** rose by almost **6% to US\$41.86** after America’s largest automaker **beat analysts’ expectations** with its **4<sup>th</sup>-quarter financials**.

The major North American markets closed higher from what proved to be at least a short-term oversold position.

**Mawson Resources** 'MAW-T' shares' surged up by 30% to \$0.56 on Wednesday, February 7<sup>th</sup> on word that gold mining giant **Goldcorp Inc.** 'G-T' had taken an \$8.1-million position in the Finnish based mineral explorer.

The price of **Snap Inc.** 'SNAP-Q' stock surged up by 47% to US\$20.67 after the instant messaging company reported better than expected quarterly user and revenue numbers.

**Weight Watchers** 'WTW'N' shares' rose by 17% to US\$73.99 after the dietary company projected larger than expected revenue growth for the next 2-years.

Thursday, February 8<sup>th</sup> had the **Canadian Government** make the currents murky resource permitting process even more confusing by announcing it will be introducing a yet unnamed body to oversee the resource industries.

Winter parka maker **Canada Goose** 'GOOS-T' reported quarterly financials the beat analysts' expectations.

**Tesla Inc.** 'TSLA-Q' shares' fell by over 8% to US\$315.00 after the electric car pioneer reported its largest quarterly loss ever.

Conversely, the price of **Twitter Inc.** 'TWTR-Q' stock rose by 12% to US\$30.17 after the electronic communicator posted its first ever quarterly profit.

Friday, February 9<sup>th</sup> had **Statistics Canada** report that the economy shed an unexpected 9-year monthly high 88,000 new jobs in January – causing the national unemployment rate to rise by 0.1% to 5.9%.

Giant online retailer and industry disrupter **Amazon.com** 'AMZN-Q' turned its attention to the courier business and announced it is investigating starting its own package pick-up and delivery business that would directly compete with other services such as **UPS Parcel Service** 'UPS-N' and **FedEx Corp.** 'FDX-N'.

Petroleum industry consultant **Baker Hughes** 'BHGE-N' reported that the number of active American drilling rigs rose by 29-rigs last week to 975 active drilling rigs. Further north - the number of active Canadian drilling rigs fell by 17-rigs to 375 active drilling rigs.

**Expedia Inc.** 'EXPE-Q' shares' fell by 15.5% to US\$104.00 after the travel services company estimated that its selling and marketing costs would be greater than its growth in revenue.

During the Week - the Dow Industrials, S&P 500 and NASDAQ all sank to respective new 2018 lows of 23,860, 2,581 and 6,777. The Canadian markets fared no better

as the TSX Venture dropped to a 2018 year low of 803 and TSX Composite fell to a 5-month low of 15,034. While counterbalancing these downward moves - the VIX soared up to a new 2½ -year high of 35.02

Canada Goose Holdings 'GOOS-T' at \$48.04, Morneau Shepell 'MSI-T' at \$23.34 and VersaBank 'VB-T' at \$7.80 all reached new TSX 52-week trading highs while Alamos Gold 'AGI-T' at \$6.33, BCE 'BCE-T' at \$54.44 and Sierra Wireless 'SW-T' at \$19.06 all dropped to new 52-week trading lows.

For the Week - the Dow Industrials fell by 5.21% to 24,191, with the S&P 500 off by 5.14% to 2,620 and the NASDAQ down by 5.01% to 6,874. To the north - the TSX Composite Index was down by 3.66% to 15,034 while the TSX Venture Exchange gained 0.12% to 813.

With Commodities - gold bullion fell by 1.57% to US\$1,316, with copper lower by 4.39% to US\$3.05, as crude oil dropped by 9.53% to US\$59.21 and natural gas dropped by 8.42% to US\$2.61. Overall - the CRB Spot Commodity Index fell by 1.13% to finish the week at 438.

The Canadian dollar fell by 1.27% against its southern counterpart to end the week at US\$0.7944.

And the closely watched CBOE Volatility Index or VIX surged higher by 11.37-points to finish the week at a much more nervous level of 28.68.

**And Finally** – As more and more marijuana figures become public it was of great interest to see **Statistics Canada report that the Canadian underground economy illegally exported about \$1.2-billion of cannabis in 2017.**

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

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