



The Week of May 21st to May 27th, 2018
“A Brief Look Back Into Tomorrow”

Good Day

The new North American trading week began on **Monday, May 21st** with the Americans going it alone as the **Canadian side enjoyed an extra day off** for their annual **Victoria Day** holiday.

Husky Energy ‘HSE-T’ announced the company was **taking an interest in two prospective Hydrocarbon drilling blocks** in the **Beibu Gulf** area of the **South China Sea**.

Tesla Motors TSLA-Q’ shares’ **fell by over 3% to U\$275.02** after the world’s leading electric car company announced **braking issues for its new Model 3 sedan**.

Tuesday, May 22nd saw the **Turkish lira fall by 5.5%** to 4.9-lira to the US dollar on worries their central bank was unwilling to support the currency.

Nighthawk Gold ‘NHK-V’ shares’ **fell by over 7% to \$0.50** after the company failed to impress investors with a **metallurgical update** on their **Colomac heap leach gold project** in Canada’s Northwest Territories.

Recreational retailer **Foot Locker ‘FL-N’** **raised their guidance for the rest of 2018** as the **revamping of their inventory mix** was nearing completion.

The **S&P** reported that **corporate share buybacks** had **increased by 34%** year-over-year in the **1st-quarter** to a record **US\$4-trillion**.

Bill C-49 passed on **Wednesday, May 23rd** which would allow **foreign ownership of Canadian railways to increase from 15 – 25%** and **foreign ownership of Canadian airlines to rise from 25 – 49%**.

Canada’s big six banks – **Bank of Montreal ‘BMO-T’**, **Bank of Nova Scotia ‘BNS-T’**, **Commerce Bank ‘CM-T’**, **National Bank ‘NB-T’**, **Royal Bank of Canada ‘RY-T’** and **Toronto-Dominion Bank ‘TD-T’** do what was expected and reported **1st-quarter financials** that met or beat analysts’ expectations.

General Electric 'GE-N' shares' dropped by over 7% to US\$14.18 after the giant conglomerate sighted **increased difficulties** in opening new electrical power plants.

The price of **PetroShale 'PSH-T' stock rose by almost 5% to \$2.36** after the petroleum producer reported better than expected **1st-quarter financials**.

Thursday, May 24th saw the market cap of **Netflix Inc. 'NFLX-Q'** at **US\$152-billion** rise above that of multi-media giant **Walt Disney 'DIS-N'**. To put the streaming company's growth into some perspective – it had market cap in 2014 of just **US\$20-billion**.

Aecon Group 'ARE-T' shares' plunged by over 15% to \$14.67 after the **Canadian Federal Government vetoed a proposed takeover** of the construction giant by **China Communications Construction Co. 'CCCC'**.

The price of **nLight Inc. 'LASR-Q'** soared **up by 21.5% to US\$6.44** after the semiconductor and fiber laser company impressed the street with its **1st-quarter financials**.

Best Buy 'BBY-N' stock dropped by 7% to US\$70.90 after the electronics giant **reigned in its business forecast** for the rest of 2018.

Friday, May 25th had petroleum industry consultant **Baker Hughes 'BHGE-N'** reported that the number of **active American drilling rigs rose by another 13-rigs last week to 1,059 active drilling rigs**. Up north - the number of **active Canadian rigs fell by another 2-rigs to just 81 active drilling rigs**.

Northern Dynasty 'NDM'T' shares' plunged by over 32% to \$0.61 after their strategic partner **First Quantum Minerals 'FM-T'** **terminated its right to earn a 50% interest in the giant Pebble copper/gold project in southern Alaska**.

The price of **Decker Outdoor Corp. 'DECK-N'** stock **rose by 3.5% to US\$107.34** after the retailer handily beat analysts' with its **4th-quarter financials**.

The **markets generally traded quietly** leading into the **American Memorial Day** long weekend.

During the Week – crude oil rose to a new 3½ year high of US\$72.35-a-barrel.

BRP Inc. 'DOO-T at \$55.45, Imperial Oil 'IMO-T' at \$42.86 and Waste Connections 'WCN-T' at \$97.96 all climbed to **new TSX 52-week trading highs** while **Alimentation Couche-Tard 'ATD.B-T' at \$52.08, Pizza-Pizza Royalty 'PZA-T' at \$12.90 and ZCL Composites 'ZCL-T' at \$9.58** all dropped to **new 52-week trading lows**.

For the Week – the Dow Industrials rose by 0.15% to 24,753, with the S&P 500 up by 0.29% to 2,721 and the NASDAQ ahead by 1.09% to 7,434. To the north – the TSX Composite fell by 0.18% to 16,047 and the TSX Venture was off by 0.39% to 772.

With Commodities – gold bullion lost 0.46% to US\$1,303, with copper down by 0.65% to UA\$3.06, as crude oil fell by 1.81% to US\$66.65 as natural gas gained 1.01% to US\$2.99. Overall the CRB Spot Commodity Index was unchanged on the week at 444.

The Canadian dollar fell by 0.22% against its American counterpart to end the week at US\$0.7691.

And the closely watched CBOE Volatility Index eased lower by 0.20-point to finish the week at a little calmer level of 13.22.

And Finally – Gold Bugs may take some encouragement in that according to the World Gold Council – about two-thirds of the 190,000-tonnes of global gold holdings was mined after 1950.

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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