



The Week of May 16<sup>th</sup> to May 22<sup>nd</sup>, 2016  
"A Brief Look Back Into Tomorrow"

## Good Day

The new trading week began on **Monday, May 16<sup>th</sup>** with investors very aware that the American markets seem to be once again bulling pulling back after yet another failed push at new trading highs while the resource laden Canadian markets seemed to be taking their supporters' still higher.

Technical analysts **David Tippin & Ron Meisels** commented - "The markets are doing exactly what they should do following a strong multi-month advance. **A necessary pullback is underway**, is timely, and should be met by good support."

**Goldman Sachs** (GS-N) did an about face and **reversed its call for US\$20 crude oil** and sighted production disruptions in Canada's oilsands, Nigerian pipeline attacks and civil unrest in Venezuela as reasons to reset the bar at a much more **bullish level of US\$50-a-barrel**.

While on a related note, **Connacher Oil & Gas** (CLC-T) joined a still growing list of petroleum producers to **apply for bankruptcy protection** while **Penn West Petroleum** (PWT-T) warned it **needed creditor support in order to carry on operations**.

**Eldorado Gold** (ELD-T) reported it was **exiting China** by **selling its interests in two Chinese gold mines** to China's **Yintai Resources Co.** for a tidy **US\$600-million**.

Tech stock investors tend to discount old school investors such a **Warren Buffet** - except when his **Berkshire Hathaway**(BRK.A-N) announces it had **acquired a US\$1-billion position in tech giant Apple Inc.** (AAPL-Q).

Canadians' continued to bank on their homes as the **Canadian Real Estate Association** (CREA) reported on **Tuesday, May 17<sup>th</sup>** that **the average price of a Canadian home rose by over 13% in the past year to \$508,097**.

Gold bugs were high-fiving on word that contrarian investor **George Soros** had **purchased a US\$264-million or 1.7% stake** in the world's largest gold miner **Barrick Gold** (ABX-T).

The "Let's do this" store, **Home Depot** (HD-N) did just that as the giant home

improvement retailer handily **beat analysts' expectations with its 1st-quarter report** and better still **raised its forecast for the rest of the year.**

**Wednesday, May 18<sup>th</sup>** had the **U.S. Fed** add another layer of uncertainty to the markets as the American central banker **hinted of an interest rate hike** as early as this coming June.

The raging wild fires of northern Alberta continued to reek havoc as **Horizon North Logistics (HNL-T)** reported the workforce accommodation provider had **sustained significant damage to its 665-room Blacksand Executive Lodge** located some 20KM north of Fort McMurray.

Under our continuing heading of '**Name Dropper**' - After surging up from US\$0.50 to US\$5.00 the price of **MGT Capital Investments (MGT-N)** retreated by over 37% to US\$2.60 as the market digested the news that antivirus **McAfee Security** founder **John McAfee** had joined the company as CEO.

The shareholders' of **inContact Inc. (SAAS-Q)** were happy to see their investment **soar up by 53.5% to US\$13.83** after the cloud software company had **agreed to a US\$940 cash & debt takeover by software provider Nice Systems (NICE-Q).**

**Thursday, May 19<sup>th</sup>** had the silver bugs mirroring their gold bug cousins' enthusiasm after the **Silver Institute** reported that **total global silver demand rose in 2015 to a record 1.2-billion ounces.**

**Orozone Gold (ORE-V)** shares' rose by over 12% to **\$1.00** after the company announced that **permitting progress was being made at its Bomoré gold project in Burkina Faso.**

**Tesla Motors (TSLA-Q)** announced the electric car company will be **issuing US\$2-billion of treasury stock to help finance production of their new Model 3 car.**

**Wal-Mart Stores (WMT-N)** stock rose by over 9.5% to **US\$69.20** after the world's largest retailer **beat the streets' expectations with its 1st-quarter financials.**

Optimism returned to the Canadian petroleum industry for at least one day on **Friday, May 20<sup>th</sup>** after the **National Energy Board (NEB)** finally approved the **twinning of Kinder Morgan's (KMI-N) Trans Mountain Pipeline** that would triple the amount of Alberta oil reaching the west coast tidewater at Vancouver, BC to some 900,000 barrels-a-day.

Sure, hit them when they're down - never mind low oil prices and raging wildfires - now **Standard & Poor's** lowers **Alberta's credit rating one notch from double-A-plus to double-A.**

The **U.S. National Association of Realtors** reported that **American existing home sales rose by 1.7% in April to an annualized 5.45-million units.**

The **Bank of Canada** may have some decisions to make after the central banker reported the **country's inflation rate rose by a greater than expected 0.4% in the past year to 1.7%** while the more important **core rate rose by 0.1% to 2.2%** - well ahead of the bank's target rate of 2.0%.

The Canadian markets traded quietly on going into the Victoria Day long weekend.

**During the Week - Crude oil rose to a new 7-month closing high of US\$48.53-a-barrel and the TSX Venture Exchange reached a new 11-month high of 686.**

**Barrick Gold (ABX-T) at \$25.44, Rogers Sugar (RSI-T) at \$5.77 and TD Bank (TD-T) at \$56.55 all set new TSX 52-week trading highs while Algoma Central (ALC-T) at \$11.30, Fortress Paper (FTP-T) at \$2.95 and Hudson's Bay Co. (HBC-T) at \$14.59 all sank to new 52-week trading lows.**

**For the Week - The Dow Industrials eased lower by 0.20% to 17,500, while the S&P 500 Index improved by 0.29% to 2,053 and the NASDAQ Exchange rose by 1.10% to 4,770. To the "hurrah for the long weekend" north, the TSX Composite Index gained 1.24% to 13,930 and the TSX Venture Exchange rose by 0.88% to 686.**

**With commodities - gold bullion lost 1.57% to US\$1,253, with copper down by 0.97% to US\$2.05, while crude oil rose by 3.41% to US\$48.50 and natural gas lost 1.79% to US\$2.20. Overall, the CRB Spot Commodity Index improved by 0.24% to finish the week by 416.**

**The Canadian dollar fell by 1.35% against the American dollar to end the week at US\$0.7622.**

And the closely watched **CBOE Volatility Index or VIX eased up by 0.09-point** to finish the week at an ever so slightly more nervous level of **15.13**.

**And Finally - In direct contrast to media reports of long line-ups and many flight delays - the U.S. Department of Transportation reported that the percentage of on-time American flights rose by 2.8% in the past year to 81.5%.**

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