



The Week of October 31st to November 6th, 2016
"A Brief Look Back Into Tomorrow"

Good Day,

The new trading week began on **Monday, October 31st** with nervous investors clearly expecting more tricks than treats as the calendar moved ever closer to the upcoming American presidential election.

Technical analysts **David Tippin & Ron Meisels** commented - "The bull market is successfully absorbing selling pressure. While political turmoil seems to be on the increase, **the markets are quietly going about their business of preparing themselves for a new upleg.**"

Performance Sports Group (PSG-T), the manufacturer of Bauer, Easton and Mission sports equipment through in the towel and **filed for bankruptcy protection.**

Perhaps sensing a bottom in the petroleum markets, **General Electric (GE-N)** announced they were **acquiring a majority interest in oilfield services company Baker-Hughes (BHI-N)** to form the world's second largest oilfield services company.

Lumber Liquidators (LL-N) shares' **fell by over 16% to US\$15.50** after the flooring company **failed to impress the street with its 3rd-quarter financials.**

The **Canadian government** started the new month by announcing on **Tuesday, November, 1st** that they will **spend \$180-billion over the next 11-years on infrastructure spending.**

J.D. Power reported that **all of the 'big-three' American automakers all reported a drop in October sales.**

Cymat Technologies (CYM-V) shares' **soared up by over 77% to \$0.31** after the specialized aluminum company announced a **memorandum of understanding with industry giant Aluciol SA** to co-market the company's aluminum foam composite panels.

Wednesday, November 2nd had the **Conference Board of Canada** report that our **consumer confidence fell by 6.3-points in October to 96.7**, the largest monthly drop

since crude oil first fell below US\$30-a-barrel.

The **U.S. Fed** does as expected and **leaves their key interest rates unchanged** at 0.25 - 0.5% going into the last week of their federal election.

Aecon Group (ARE-T) shares' **plunged by almost 16% to \$14.38** after the contract engineering firm **disappointed with its 3rd-quarter financials**.

Conversely, the price of **Office Depot (ODP-N)** **rose by 12.5% to US\$3.43** after the retailer said it would **sell its international business interests and focus on North America**.

Ottawa announced on **Thursday, November 3rd** that they were **relaxing the upper allowed limit of foreign ownership for Canadian air carriers from the current 25% to a much more competitive 49%**.

exactEarth Ltd. (XCT-T) shares' **rose by 12% to \$1.57** after the company **arranged a long term satellite contract with the Canadian Department of National Defence**.

Meanwhile market darling **Facebook (FB-N)** had its **share price fall by almost 6% to US\$119.75** after the social network company **warned that its revenue growth may slow in 2017**.

And the price of **Fitbit Inc. (FIT-N)** shares' **plunged by 33.5% to US\$8.51** after the fitness monitoring company **posted weaker than expected guidance for the 4th-quarter**.

Friday, November 4th saw **Statistics Canada** report that **our economy created a better than expected 43,900 new jobs in October which held the unemployment rate steady at 7.0%**. To the south, the **U.S. Department of Labor** reported the American economy **created 161,000 new jobs in October which helped to lower their unemployment rate down by 0.1% to 4.9%**.

Statistics Canada also reported that the **Canadian trade deficit more than doubled in September to \$4.1-billion**.

Going into the **last few days before the U.S. Presidential election** - A Bank of America Merrill Lynch survey found that on average **fund managers have raised the cash portions of their portfolios to a 15-year high of 5.8%**.

Flour Corp. (FLR-N) shares' **fell by 13.5% to US\$44.80** after America's largest engineering and construction company **lowered its 2016 profit forecast**.

During the Week - the **TSX Venture Exchange** fell to a **3^{1/2}-month low of 760**, while the **Dow Industrials, S&P 500 and NASDAQ** all fell to respective **4-month lows of 17,888, 2,085 and 5,046**. Meanwhile the **CBOE Volatility Index (VIX)** rose to a **4-month high of 22.72**.

First Quantum Minerals (FM-T) at \$12.81, Parkland Fuel (PKI-T) at \$31.77 and TD Bank (TD-T) at \$61.03 all set new TSX 52-week trading highs while Alaris Royalty (AD-T) at \$19.52, Fission Uranium (FCU-T) at \$0.50 and Sears Canada (SCC-T) at \$2.53 all fell to new 52-week trading lows.

For the Week - the Dow Industrials fell by 1.50% to 17,888, with the S&P 500 Index down by 1.93% to 2,085 and the NASDAQ Exchange off by 2.77% to 5,046. To the north side of 49 the TSX Composite Index fell by 1.87% to 14,509 and the TSX Venture Exchange dropped by 1.80% to 762.

With Commodities - gold bullion gained 2.23% to US\$1,306, with copper up by 3.19% to US\$2.26, while crude oil fell by 9.28% to US\$44.18 and natural gas dropped by 9.51% to US\$2.95. Overall, the CRB Spot Commodity Index rose by 0.49% to end the week at 405.

The Canadian dollar improved by a marginal 0.03% against its American counterpart to finish the week at US\$0.7465.

And the closely watched CBOE Volatility Index or VIX rose by 6.59-points to end the week at a much more nervous level of 22.72.

And Finally - As we move ever closer the prime year-end shopping season, a new report by Colliers International suggests that Canadian non-store sales rose in 2014 to \$23-billion or 4.7% of the total Canadian retail space.

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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