



The Week of August 10th to August 16th, 2015
"A Brief Look Back into Tomorrow"

Good Day

The new trading week began with a sense of optimism on **Monday, August 10th** as it was mid-summer, many investors were away on their annual summer holidays and best of all, the **Toronto Blue Jays were a contender in the American league East.**

TELUS (T-T) surprised the market by announcing that **past President and CEO Darren Entwistle was returning to that roll** with Canada's 2nd largest telecom company.

Under the heading of **'A Billion Here and a Billion There and Pretty Soon You're Talking Real Money'** - The share price of **Precision Castparts (PCP-N)** soared up by **over 37% to US\$230.93** on word that **Warren Buffet's Berkshire Hathaway (BRK.A-N)** was acquiring the **giant aerospace company** in a **cash & debt deal of some US\$37.2-billion.**

Twitter Inc. (TWTR-Q) announced a **2-year extension to the content & advertising deal they have with the National Football League (NFL).**

And over 4-years after the devastating tsunami hit its shores and shut down its nuclear power plants, **Japan's Kyushu Electric Power Co. announced it had restarted its Sendai nuclear plant,** with a second plant due to come online in October.

The markets turned turtle on **Tuesday, August 11th** on word that **The People's Bank of China had devalued its currency by 2% to a 3-year low of 6.2298 yuan per American dollar.**

The **Oil Market Report** said that **OPEC had increased its crude oil production in July by over 100,000 barrels-a-day to a new 3-year high of 31.51-million barrels per day (mb/d).**

While on a related note, **China has increased its oil imports by 11% in 2015 to about 200-million barrels of oil a month,** and the Asian country **now rivals the United States as the world's largest importer of crude oil.**

The Canada Mortgage and Housing Corp. (CMHC) reported that the country's **new**

home construction slowed by 4.60% in July to 193,032 units.

Google Inc. (GOOG-Q) announced it was **establishing 'Alphabet'** as a new holding company for its many subsidiaries such as the driverless car.

Merus Labs International (MSL-T) shares' plunges by over 18% to \$2.47 when the company's 3rd quarter report failed to live up to analyst expectations.

Most precious metal stocks rallied on Wednesday, August 12th on the theory (or hope) that the devalued Chinese Yuan would trigger other currency devaluations, most notably in the American dollar, that would help to finally rout the long-term bear market in the yellow metal.

Magellan Aerospace (MAL-T) shares' rallied by over 9% to \$17.71 when the company reported their 2nd-quarter results.

Macy's (M-N) announced they were **partnering with Alibaba Group Holding (BABA-Q)** in a deal that would see the giant American retailer use China's largest search engine's Tmall Global to launch an online store later this year.

Eldorado Gold (ELD-T) got a piece of good news on **Thursday, August 13th** when **Greece's Council of States issued forestry land and site clearing rights for the company's Skouries gold-copper project** in the north of the Mediterranean country.

Aquunox Pharmaceuticals (AQPX-Q) shares' leaped up by over 15% to US\$20.29 after the company announced **positive study results for its bladder pain drug.**

The Canadian housing piggy bank continued to fill as the **Canadian Real Estate Association (CREA)** reported on **Friday, August 14th** that **the average price of a Canadian home sold in July rose by 8.9% over the same month last year to a record \$437,699.**

Could it be a sign of a market top when **Morningstar Inc.** reported that **investors divested themselves of a record US\$79-billion from American equity mutual funds in the first 7-months of this year?**

Petroleum analyst **Baker Hughes** reported that **the number of active American oil rigs remained steady last week at 884, well over half the 1,913 rigs that were active during the same period just one year ago.**

And on a related field **Crescent Point Energy (CPG-T)** became the latest of a long line of petroleum companies to **cut their annual dividend**, while **Trican Well Service (TCW-T)** warned they may be in debt covenant breach in the 3rd quarter of this year.

Downward pressure continued for the commodities space with crude oil dropping to a new 6-year low of US\$42.69-a-barrel and copper falling to a new 6-year low of US\$2.33-a-pound All of which helped to pull the resource laden **TSX Venture Exchange down to a record low of just 573.**

Klondex Mines Ltd. (KDX-T) at \$3.55, Boyd Auto Group Income Fund (BYD.UN-T) at \$59.63 and New Flyer Industries (NFI-T) at \$19.29 all established new TSX 52-week trading highs while COMPASS Income Fund (CMZ.UN-T) at \$11.24, Gamehost Inc. (GH-T) at \$9.50 and Northern Property REIT (NPR.UN-T) at \$20.29 all set new 52-week trading lows.

For the Week - The Dow Industrials improved by 0.60% to 17,477, with the S&P 500 Index ahead by 0.67% to 2,092, and the NASDAQ Exchange marginally better by 0.08% to 5,048. In Canada, the oil heavy TSX Composite Index lost 0.17% to 14,278 and the TSX Venture Exchange fell by 0.69% to 573.

With commodities, gold bullion rose by 1.83% to US\$1,114, with copper up by 0.86% to US\$2.35, while crude oil dropped by 2.69% to US\$42.69, and natural gas was better by 0.36% to US\$2.81. Overall, the CRB Spot Commodity Index rose marginally by 0.24% to end the week at 411.

The Canadian dollar improved by 0.30% against its American counterpart to finish the week at US\$0.7639.

And the closely watched CBOE Volatility Index or VIX eased by 0.40-point to end the week at a slightly calmer level of 12.99.

And Finally - China's sudden devaluation of its currency has been especially hard on their ultra-rich, as Bloomberg estimates that the Asian country's 27-billionaires lost a combined US\$12-billion as a result of the process.

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