



The Week of January 19th to January 25th, 2015
"A Brief Look Back Into Tomorrow"

Good Day

We enter the mid-month and new trading week on **Monday, January 19th** with **investors still looking for some sort of New Years' rally** and **gasoline prices at levels not seen since the economic crisis of 2008 -09.**

Mining M&A continues to heat up as the price of **Probe Mines Ltd. (PRB-T)** shares' **surge up by 50.0% to \$5.04** on word that giant gold miner **Goldcorp Inc. (G-T)** was **taking over the junior** and its prospective **Borden Gold Project** near Chapleau, Ontario.

Iraq announced that it has now reached a **record crude oil production level of 4-million barrels-a-day.**

Cutbacks continue in the oil patch as **Lightstream Resources Ltd. (LTS-T)** announced it was **suspending its \$0.15-a-year dividend** and **adopting a more conservative capital spending program** in the light of **lower petroleum prices.**

Gran Tierra Energy (GTE-T) got off to a rocky start on **Tuesday, January 20th** when its share price fell by over 30% to \$2.91 when the petroleum developer reported **less-than-stellar results** from its **Bretana Sur** appraisal well

Technical analysts **Olaf Sztaba & Ron Meisels** on the risks to market going forward - "After a spectacular 2014 and an impressive end-of-the year rally, exhaustion has finally caught up with the markets. This **fatigue manifests itself in increased volatility and range-bound trading, which could define the market action for the first months of 2015**". (For a copy of the complete report please contact 'rod.blake@canaccord.com'.)

China reported that its **economic growth slowed in 2014 to a 24-year low of 7.4%.**

Wheels Group Inc. (WGI-T) shares' surged up by over 33% to \$0.76 on word the intermodal and truck services company was being **taken over by Radiant Logistics Inc. (RLGT-A)** in a cash & stock deal worth some \$69-million.

Another central banker shocks the markets on **Wednesday, January 21st** when **Bank of Canada Governor Stephan Poloz** reacts to plummeting crude oil prices and **cuts the country's benchmark lending rate by 0.25% to 0.75%**, all of which helped to push the **Canadian Loonie down by another 1.5-cents to US\$0.8106**.

IMAX Corp. (IMAX-N) reported that **Chinese receipts** for their giant movie screen productions **rose by 36% in 2014 to a record 29.6-billion yuan**.

American Express Co. (AXP-N) and **eBay Inc.** (EBAY-Q) announced **respective layoffs of 4,000 and 2,400 workers**.

European Central Bank president Mario Draghi announced on **Thursday, January 22nd** that the **regions central banks** were introducing their own version of quantitative easing (QE) and **were prepared to purchase up to €1.1-trillion of government bonds over the next year and a half in order to counter their threat of deflation**.

The **Royal Bank of Canada** (RY-T) announced it had **purchased** Los Angeles based bank **City National Corp.** (CYN-N) in an all-cash deal worth some **US\$5.4-billion**.

Toyota Motor Corp. retained its number position as **the world's largest vehicle company by selling 10.23-million units in 2014**, closely follows by **Volkswagen with sales of 10.14-million** and **General Motors Co. (GM-N) with 2014 sales of some 9.92-million units**.

Netflix Inc. (NFLZ-Q) shares' surged up by over 17% to **US\$409.28** when the video streaming company informed investors that **the overseas rollout of its services was progressing much faster than expected**.

Friday, January 23rd begins with **Statistics Canada** reporting that the recent drop in gasoline prices helped **the country's inflation rate had eased by 0.1% in December to end the year at an annualized 1.5%**, well below their target inflation rate of 2.0%.

Stats. Canada also reported that **retail sales rose by a better than expected 0.4% in November to \$43-billion**. (Black Friday seems to have caught on in Canada.)

Crude oil prices shudder once again with the **passing of Saudi Arabia's 90-year old King Abdullah** and the uncertainty of **his successor and half-brother King Salman**.

More **long range trends** were established during the week with **copper dropping to a 5½-year low of US\$2.50-a-pound**, while **crude oil fell to a new 6-year low of US\$45.43-a-barrel**, The **CRB Spot Commodities Index dropped to 4½-year low of 424**, and the **Canadian petrodollar that dropped to a new 5¾-year low of US\$0.8051**. On the plus side, **Gold bullion rose to a new 6-month high of US\$1,304.60-an-ounce**.

Claude Resources Inc. (CRJ-T) at \$0.41, **Open Text Corp.** (OTC-T) at \$72.50 and **Pizza Pizza Royalty** (PZA-T) at \$15.00 all set **new TSX 52-week trading highs** while

Bombardier Inc. (BBD.B-T) at \$2.53, **Gamehost Inc. (GH-T)** at \$12.90 and **Westport Innovations Inc. (WPT-T)** at \$3.83 all established **new 52-week trading lows**.

For the Week - The Dow Industrials gained 0.92% to **17,673**, while the **S&P 500 Index** rose by 1.63% to **2,052** and the **NASDAQ Exchange** improved by 2.68% to **4,758**. On the Canadian side, the **TSX Composite Index** gained 3.28% to **14,779** and the **TSX Venture Exchange** gained 1.65% to **678**.

Gold bullion rose by 1.31% to **US\$1,293**, while **copper** fell by 4.58% to **US\$2.50**, with **crude oil** dropping by 7.53% to **US\$45.43** and **natural gas** lost 4.85% to **US\$2.94**. Overall, the **CRB Spot Commodities Index** eased by another 1.17% to **424**.

The **Canadian dollar** plunged by 3.60% against its American counterpart to end the week at **US\$0.8051**.

And the closely watched **CBOE Volatility Index** or VIX dropped by 4.36-points to finish the week at a much calmer level of **16.59**.

And Finally - In its zeal to lower its currency and make its exports more competitive, **Denmark's central bank cut its main interest rate** by another 0.15% last week to.....now wait for it...-**0.35%**. (Now, even savers in Denmark are guaranteed to lose some of their money.)

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