



The Week of November 3rd to November 9th, 2014
"A Brief Look Back Into Tomorrow"

Good Day

The first week of the new month begins on **Monday, November 3rd** with investors scratching their heads in wonderment of how the **American exchanges managed to erase any trace of the terrible September-October correction**. Conversely, those involved with crude oil or precious metal securities only see the correction continuing as they watch anxiously to see if a floor will ever form under their beleaguered resource weighted portfolios.

Technical analysts **David Tippin & Ron Meisels** - "The bull market's recovery of the last two-weeks is a clear sign of underlying strength. **The bull ain't over just yet**. Any further weakness should be regarded as a buying opportunity." (For a copy of the complete report please email rod.blake@canaccord.com).

Saudi Arabia does nothing to help the price of crude oil when the Arab State announced that it **will drop the price of the crude it sells to the United States** while....now wait for it....**raising the price it charges to Asia and Europe**. (You just can't make this stuff up....).

Bank of Canada Governor Stephen Poloz did nothing to help the downward pressure on the Canadian loonie when he stated **that the economic downturn from the 2008 financial crisis was deep and proving to be long lasting"**.

But new cars have some amazingly cool technology and are selling well as **DesRosiers Automobile Consultants** reported that **Canadian new car sales rose by 6.5% in October to 154,949 units**.

Duluth Metals (DM-T) was one of a few resource stocks to experience any joy as its shares' rose by over 485% to \$0.34 when the **Minnesota copper miner accepted a US\$96-million all cash takeover proposal from Chilean mining group Antofagasta**.

Covance Inc. (CVD-N) shares' rose by over 26% to US\$100.70 when the clinical trial company **accepted a US\$5.6-billion cash & stock buyout from Laboratory Corp. of America (LH-N)**.

Canadian banks are often referred to as the most stable of Canadian investments except for on **Tuesday, November 4th** when the **Bank of Nova Scotia (BNS-T)** reported it was planning to **close up or downsize up to 120 of its worldwide branches and reducing its workforce by some 1,500 people** in an effort to reduce overhead.

Visa Inc. (V-N) and **MasterCard Inc. (MA-N)** do their best to ease the financial pain of the holiday season when the credit card giants **announced they will by reducing the transaction fees they charge merchants by 10%**.

Sprint Corp. (S-N) shares' fell by over 17% to US\$5.14 when the American telecommunications giant **reported it lost an unexpected 336,000 in postpaid subscribers in the last quarter**.

With a clear example of how the North American crude oil market has changed, **the Come By Chance refinery in Newfoundland has swapped out of the traditional oil it imported from Iraq in favour of crude oil shipped in from.....now wait for it.....Texas.**

The **Republicans almost sweep the United States midterm elections** leading some to speculate that **TransCanada Corp. (TRP-T)** long debated **Keystone II pipeline** would finally get its permit to build.

The **European Central Bank (ECB)** helped to fuel the fire of the rising American dollar on **Wednesday, November 5th** by stating that, like Japan in the previous week, the twenty-eight country collective **would do whatever it had to do to buy its members corporate and sovereign debt and create a 2% inflation rate.**

Canadian Prime Minister Stephen Harper leads a government and business entourage to China to meet with **China's Premier Li Keqiang** and others in anticipation of securing **private and public trade deals of some \$2.5-billion.**

TripAdvisor Inc. (TRIP-Q) shares' fell by almost 14% to US\$72.14 when the online travel company **disappointed the street with its 3rd quarter financials.**

Statistics Canada reported on **Thursday, November 6th** that the value of the country's building permits rose by an unexpected **12.7% in September to \$7.5-billion.**

TSX heavyweights **Canadian Tire (CTC.A-T)** and **TELUS Corp. (T-T)** saw their share price improve as each **reported improved financials** on and better yet, **raised their respective dividends** to boot.

The share price of **Aeterna Zentaris Inc. (AEZ-T)** plunge by over 49% to \$0.74 when the **U.S. Food and Drug Administration rejected the oral use of the company's hormone growth drug macimorlin.**

Gold stocks finally seemed establish a floor as the yellow metal bounced off an oversold value of some **US\$1,143-an-ounce.**

North American equities and resource prices surge higher on Friday, November 7th after the U.S. Labor Department reported their economy created 214,000 new jobs in October while dropping their unemployment rate by another 0.1% to a 5-year low of 5.8%.

Similarly, Statistics Canada reported the Canadian economy created a better than expected 43,100 new jobs in October, dropping our unemployment rate by 0.3% to a 6-year low of 6.5%.

Uranium stocks got an extra surge when Japan's Kyushu Electric Power Co. announced it had finally received government approval to restart its Sendai #1 and #2 nuclear plants in northern Japan, the first start-up since the devastating tsunami hit the island nation in early 2011.

Sears Holdings (SHLD-Q) shares' surge up by over 33% to US\$43.51 when the beleaguered American retailer announced it is exploring converting up to 300 of its properties into a real estate investment trust or REIT.

It proved to another week of extremes as the NASDAQ Exchange reached a new 14-year high of 4,639, with the DJIA and S&P 500 Index rising to new respective record highs of 17,574 and 2,032. (What correction you say?) And while natural gas rose to a new 4-month high of US\$4.48, crude oil fell to a 3-year low of US\$77.18 and gold bullion fell to a new 4½-year low of US\$1,143, all of which helped to pull the CRB Spot Commodity Index down to a 9-month low of 458. Also to the downside, the TSX Venture Exchange plunged to a new record low of 747, while the Canadian petrodollar eased to a new 5-year, 3-month low of US\$0.8752.

Canfor Pulp Products (CFX-T) at \$13.50, IMAX Corp. (IMX-T) at \$34.00 and West Fraser Timber Co. (WFT-T) at \$60.86 all established new TSX 52-week closing highs while Legacy Oil & Gas (LEG-T) at \$3.91, New Gold (NGD-T) at \$3.86 and Pan American Silver (PAA-T) at \$10.09 all fell to new 52-week closing lows.

For the Week - The Dow Industrials improved by 1.05% to 17,574, with the S&P 500 Index up on the week by 0.69% to 2,032 and the NASDAQ Exchange up by a marginal 0.04% to 4,633. On the Canadian side, the TSX Composite Index rose by 0.53% to 14,691 while the lowly TSX Venture Index finally stopped the bleeding to remain unchanged over the week at 770.

Gold bullion ended the week ahead by 0.25% to US\$1,175, while copper lost 0.33% to US\$3.04, with crude oil down by 2.56% to US\$78.46 and natural gas surged up by 13.13% to US\$4.48. Overall, the CRB Spot Commodities Index fell by another 0.22% to 458.

The Canadian dollar lost another 0.88% to its U.S. counterpart to finish the week at US\$0.8825.

And the closely followed CBOE Volatility Index (VIX) eased by another 0.87-point to

end the week at a somewhat calmer level of **13.16**.

And Finally - While the American housing market is improving, it is not attracting the usual number of 'first-time buyers' as the **National Association of Realtors** reported that **the percentage of first time buyers fell by another 5% this year to a 27-year low of 33%**. Since 1981, approximately 40% of American homes have been purchased by first-time buyers.

Rod Blake, ASCT
Investment Advisor
rod.blake@canaccord.com

Paulina Bustillo
Investment Advisor Assistant
paulina.bustillo@canaccord.com
T: 604.643.0291

Looking for investment or trading ideas? Give us a call, we can help. Toll free 1-800-663-1899.

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