



The Week of September 29th to October 5th, 2014
"A Brief Look Back Into Tomorrow"

Good Day

September ends with frustrated investors wishing it had never began, but hoping that the new quarter beginning later in the week would bring about the start of the long anticipated year-end rally.

A merger and acquisition (M&A) begins the trading week on **Monday, September 29th** on word that Canada's **EnCana Corp.** (ECA-T) was **taking over Texas based Athlon Energy** (ATHL-Q) in a friendly US\$7.1-billion cash & debt deal which would give EnCana access to a large area of the prolific Permian Basin oil field.

The shares' of **Civeo** (CVEO-Q) plunged by over 49% to US\$12.99 when the American based workforce accommodation company **lowered its guidance for not only the 4th quarter but for the full year ahead.**

Conversely, the share price of **DreamWorks** (DWA-Q) surged up by over 27% to US\$28.40 on a rumour that the film company was a takeover target for private equity investment conglomerate SoftBank.

And **Tibco Software** (TIBX-Q) shares' rose by almost 21.5% to US\$23.69 when the company announced it was **selling itself for US\$4.3-billion to private equity firm Vista Equity Partners.**

Activist shareholders got their way once again on **Tuesday, September 30th**, as online auctioneer **eBay** (EBAY-Q) announced they would be **spinning out PayPal**, its payment division, in a tax-free distribution to form a separate stand alone equity.

The multi-month low in the price of gold is good for one sector, coinage, as the **U.S. Mint** reported that their **sales of gold coins more than doubled in September to 58,000 ounces.**

Just in case you're keeping track, **Wealth-X UBS** reported that the number of billionaires grew by 155 in the past year to bring the **worldwide total to 2,325 billionaires.**

Airline company share prices plummeted on Wednesday, October 1st when the U.S. Center for Disease Control and Prevention announced that the **first case of a person carrying the deadly Ebola virus had flown into the country** and was being treated at a Dallas hospital

Westport Innovations (WPT-T) also caught the market's attention but for all the wrong reasons, as its share price plunged by almost 25% to \$8.84 when the **diesel to natural gas engine converter** announced that **civil and extremist unrest throughout the world would be highly detrimental to its sales for the second half of 2014.**

And the share prices of **Fannie Mae (FNMA-Q)** and **Freddie Mac (FMCC-Q)** plunged by 37% respectively when a U.S. court **upheld the U.S. government's right to divert the federal mortgage companies' profits into the coffers of the U.S. Treasury.** The **Canadian government** continues to get its house in order as **Prime Minister Stephen Harper** announced on **Thursday, October 2nd** that their **budget deficit for the fiscal year ending in March fell by \$11.5-billion from budget to just \$5.2-billion.**

The markets rallied on **Friday, October 3rd** after the **U.S Labor Department** reported their economy created a much better than expected **248,000 new jobs in September**, and better still, **the American unemployment rate fell by another 0.2% to a new 6-year low of 5.9%.**

In a move that would see it return to a gold-only producing company, **IAMGOLD Inc. (IAG-T)** announced they were **selling their Niobec niobium mine in Quebec to Magris Resources** for a \$500-million in cash. Niobium is an important hardening additive in the production of steel.

New short and intermediate closing lows were once again established during the week with the **TSX Composite Index** falling to a **new 4-month closing low of 14,761** and the **TSX Venture Exchange** dropping to a **new 9-month low of 878.** And helping these commodity sensitive exchanges to their lows was the price of **gold bullion that fell to a new 9-month low of US\$1,192.40** and **crude oil that dropped to a new 16-month low of US\$89.78.** And along with this, the **Canadian petro-dollar fell to a new 6-year low of US\$0.8881.**

Fortis Inc. (FTS-T) at \$35.11, **Paramount Resources (POU-T)** at \$66.37 all established **new 52-week TSX trading highs**, while **Niko Resources (NKO-T)** at \$0.60, **Teck Resources (TCK.B-T)** at \$19.82 and **Yamana Gold (YRI-T)** at \$6.46 all touched **new 52-week trading lows.**

For the Week - The **Dow Industrials** fell by 0.60% to **17,010**, with the **S&P 500 Index** off by 0.75% to **1,968** and the **NASDAQ Exchange** down on the week by 0.79% to **4,476.** To sink or swim with commodities north, the **TSX Composite Index** fell by 1.55% to **14,790** and the **TSX Composite Index** dropped by 3.98% to **883.**

Crude oil fell by 2.93% to **US\$89.78** while **natural gas** was unchanged at **US\$4.03** and **copper** was off by 1.3% to **US\$3.00.** Overall, the **CRB Spot Commodity Index** was

lower by another 0.63% to end the week at **472**.

The **Canadian dollar** lost 0.95% against the high flying American buck to finish the week at **US\$0.8881**.

And the closely watched **CBOE Volatility Index** or VIX eased by 0.30-point to end the week at a slightly more calm level of **14.55**.

And Finally One significant key benefit to the rampaging American dollar came in the form of a **U.S. Commerce Department** report that **the average price of gasoline in that country had dropped to a 3-year low of US\$3-per-gallon**. Yet somehow we haven't heard the price fixing groups praising the oil companies for pushing the price of gasoline down, just as they always seem to blame them for conspiring to fix prices when the price of gasoline moves higher.

And Finally, Finally - The Week is taking some time off going into the **Canadian Thanksgiving** long weekend. If all goes as planned the next edition of this piece will be returning to your inbox sometime around Monday, October 20th.

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