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

Good Day

The first trading week of February had investors of American issues looking back and wondering if the recent negative 5% January Effect would continue into the current week, while those holding Canadian issues were pleased that their predominantly resource based market was able to get through the month relatively unscathed.

Technical analysts **David Tippen & Ron Meisels** - "With the S&P 500 declining for the month, the **January Indicator** (as January goes so goes the year) is pointing to an overall negative 2014. This does not mean "sell now." But it does suggest that the markets could be more volatile compared to 2013. A net negative 2014 still allows for the possibility of new bull market highs this year. When the current correction ends we expect another - but perhaps last - up leg for the bull." (To see the full report send a request to ronmeisels@phases-cycles.com).

The closely watched **CBOE Volatility Index (VIX)** starts the week off by surging up by another 2.71-points on **Monday, February 3rd** to rise above the 20-level and end the day at much more nervous level of 21.12.

It would seem that Canadians don't let a little winter stop them as **DesRosiers Automotive Consultants** reported that the country's new vehicle sales increased by 0.3% year-over-year in January, While Americans seemed to shy a bit from the weather as **Reuters** reported that U.S. auto sales fell by 3.1% in the month of January

The share price of **Liquor Stores N.A. (LIQ-T)** fell by over 10% to \$12.85 as investors in the company that has thirty-six liquor outlets in British Columbia reacted to a Government of British Columbia report that recommended the opening up of liquor sales to the provinces grocery stores.

And **Facebook (FB-Q)**, or 'The Facebook' as it was known then, came online for the first time this day **February 4th, 2004**.

If you still may be wondering about all of the fuss over moving Canada's oilsands bitumen oil production either east-to-west thru Gateway or north-to-south through

Keystone, look no further than the country's largest oilsands producer **Suncor Energy** (SU-T) that just reported its average oilsands production rose in the 4th quarter to a **record 409,600 barrels-a-day** - and that oil has to move somewhere.

Michael Kors (KORS-N) shares' rose by over 17% to US\$89.95 when the apparel retailer reported 3rd quarter results that handily beat the street's expectations.

Microsoft Corp. (MSFT-Q) announced that 22-year veteran employee **Satya Nadella** would be taking over from retiring **Steve Ballmer** as CEO of the world's largest tech company.

Rising precious metals producer **Silver Standard Resources Inc.** (SSO-T) announced it had purchased the **Marigold gold/silver mine** in Nevada from **Barrick Gold Corp.** (ABX-T and **Goldcorp Inc.** (G-T) in an all-cash deal worth some US\$275-million.

Things are definitely changing in the beverage world as on **Wednesday, February 5th** as **Cott Corp.** (BCB-T), the world's largest producer of private label soft drinks, suddenly announced it was evaluating certain strategic alternatives regarding its future. Meanwhile, **Coca-Cola** (KO-N) announced it was making a US\$1.25-billion, 10-year strategic partnership with **Green Mountain Coffee Roasters** (GMCR-Q) the makers of the very popular **Keurig** coffee makers.

3D Systems (DDD-N) saw their share price plunge by over 15% to US\$11.60 when the company lowered its 4th quarter earnings forecast due to lower demand for its printers and printer parts.

Statistics Canada reported that the value of the country's **building permits** dropped by another 4.1% in December to \$6.5-billion.

Long suffering shareholders of **Centerra Gold** (CG-T) finally heard some words of encouragement on **Thursday, February 6th** when the **Parliament of the Kyrgyz Republic** agreed to exchange its 32.7% equity interest to a 50% joint-venture interest in the **Kumtor Gold Project** that would allow work to proceed on the promising project that the two parties share.

Twitter Inc. (TWTR-N) shares' finally took a dose of reality when they plunged by over 24% to US\$50.03 when the social media company reported a sharp slowdown in user growth.

Morgan Stanley reported that the number one investment of U.S. millionaires is....real estate.

Bombardier Inc. (BBD.B-T) shares' got back on the rails when the giant transportation company announced it had secured a \$1.63-billion contract to build new trains for **London's Crossrail** system.

All eyes were on employment numbers on **Friday, February 7th**, as **Statistics Canada** reported the country created a better than expected 29,400 **new jobs in January** and that the nation's unemployment rate dropped by 0.2% to 7.0%. Meanwhile, across the line, the **U.S Labor Department** reported their economy created a less than expected 142,000 new jobs in January, but their unemployment rate also eased by 0.1% to 6.6%.

Stats. Canada also reported that record imports helped to drive the country's **trade deficit** in December to one-year high of \$1.66-billion.

EnCana Corp. (ECA-T) at \$21.35, **Inter Pipeline** (IPL-T) at \$28.10 and **Virginia Mines** (VGQ-T) at \$14.45 established new TSX 52-week trading highs during the week while **Liquor Stores N.A.** (LIQ-T) at \$11.65, **Newmont Mining** (NMC-T) at \$22.94 and **Westport Innovations** (WPT-T) at \$17.78 all found new 52-week trading lows.

For the Week - The Dow Industrials recovered by 0.59% to 15,791, while the **S&P 500 Index** also improved by 0.80% to 1,797 and the **NASDAQ Exchange** rose by 0.54% to 4,126. In Canada, the **TSX Composite Index** rose by 1.21% and the **TSX Venture Exchange** gained an impressive 3.23%.

Gold bullion gained 1.81% to US\$1,267 while **copper** improved by 1.25% to US\$3.24. **Crude oil** rose by 2.54% to US\$99.88 and recently high flying **natural gas** fell by 3.24% to US\$4.78. Overall, the **CRB Commodities Index** rose by 6.48-points to end the week at 4½-month high of 290.41.

The **Canadian dollar** finally found a base from which to reverse its recent fall and improved 0.88% to US\$0.9057.

Meanwhile the closely watched **CBOE Volatility Index** dropped by 3.1% to end the week at a little calmer level of 15.31.

And Finally - The world's largest automaker **Toyota Motor Corp.** (TM-N) has halted production in Venezuela because that South American country that recently depreciated its currency by some 73% now has a shortage of hard currency or U.S. dollars from which to pay for the company's products.

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