



The Week of July 22<sup>nd</sup> to July 28<sup>th</sup>, 2013  
“A Brief Look Back Into Tomorrow”

**Good Day**

As the heat of summer crept across North America to begin the fourth week of July, investors with U.S. securities are content to see the Dow Industrials and the S&P 500 at new record highs, while those holding Canadian securities were encouraged by the sudden upswing in the price of gold bullion and the price of crude oil that held it firm at new multi-month highs.

Gold bullion, probably the most hated commodity on the planet of late, continues with its comeback by surging ahead by \$43.30 on **Monday, July 22<sup>nd</sup>** to once again rise above US\$1,300 and end the day at US\$1,337.30-an-ounce.

**New index highs were achieved early last week as the S&P 500 Index ended Monday at a new all-time high of 1,696, while the DJIA closed at a new record high of 15,569 on Tuesday. To the resource rich north, the TSX Composite Index closed Monday at a new 4-month high of 12,758.**

Adding confidence to the U.S. market was a National Association of Realtors report that showed that existing home sales to June were 15.2% higher than the same month a year ago for an annualized pace of 5.08-million units, while **the median price of an America home was up by 13.5% over last year to US\$214,200 per unit.**

While on a related note, **the U.S. Commerce Department reported that their new home sales rose by another 8.3% in June to a 5-year high seasonally adjusted pace of 497,000 units.**

Overseas, economic figures out of China continue to confuse the markets, as just one day after their leaders assure the world that they will do whatever it takes to keep the growth rate of the world's second largest economy at 7% or better, then they announce that their key Flash Purchase Managers Index or PMI fell by another 0.5pp in July to an

11-month contractual level of 47.7.

**Netflix Inc.** (NFLX-Q) seems to have hit a wall that affects most extra large companies, in that they are so big or dominant in their sector that, as CEO Reed Hastings explained – “The larger we get, the harder it is to grow”. This after the giant media company shares’ dropped by some 4.4% to US\$250.43 despite adding 630,000 new subscribers in the last quarter.

On the other hand, **Apple Inc.** (AAPL-Q), saw its shares’ rise on **Wednesday, July 24<sup>th</sup>** by 5.46 % to US\$441.87 when the computer giant handily beat the street with its third quarter summary.

While **Google Inc.** (GOOG-Q) looks to be a company on steroids as analytics firm DeepField reports that Googles share of North American internet traffic has risen from just 6% in 2010 to nearly 25% today.

Under the heading of ‘Shop ‘till You Drop’ – **Canadians returned to the malls in May as Statistics Canada reported that retail sales for that month grew by an unexpected 3-year high of 1.9% over April.**

**AlarmForce Industries Inc.** (AF-T) have fired their CEO and the figurehead, Joel Matlin, and not because of those annoying radio and television advertisements that he personally appears in, but for what is said to be a failure to find a strategic partner or buyer for the home alarm company.

**International Tower Hill Mines Ltd.** (ITH-T) shares’ plunged by 54% to just \$0.49.5 on **Wednesday, July 24<sup>th</sup>**, when the mineral developer reported that its flagship Livengood gold project in Alaska wasn’t economical at today gold prices.

Investors finally hit the ‘Like’ button on **Facebook Inc.** (FB-Q) sending its shares’ surging up by almost 31% on **Thursday, July 25<sup>th</sup>** to US\$35.02 when the social media’s company finally reported the robust quarterly profits that were hinted at when it came public at US\$38 just over one year ago.

And after many years of underperformance due to overly long development, The shares’ of **Ballard Power Systems** (BLD-T) came to life of **Friday, July 26<sup>th</sup>** when the fuel cell manufacturer announced it will provide 220 telecommunication backup power systems to China’s Azure Hydrogen Energy Science & Technology.

EnviroNics Analytics calculates that **the average Canadian household’s net worth grew by 5.8% last year to a record \$400,151**, just slightly ahead of their American counterparts with an average household net worth of US\$381,086.

Under the heading of 'You 'aint Seen Nothing Yet' – With crude oil prices seeming firmly above US\$100-a-barrel, and gasoline prices hovering ever so closely to \$1.50-a-litre here in the Vancouver area, it was of great interest to see that the **Energy Information Administration (EIA) estimates that developing countries will be instrumental in pushing world energy consumption up by some 56% over the next 30-years.**

The banking sector returned to favour last week with the **Bank of Montreal (BMO-T)** at \$65.68, **The Royal Bank of Canada (RY-T)** at \$65.59 and **TD Bank (TD-T)** at \$88.46 all establishing new TSX 52-week trading highs while new lows were still being found in the precious metal sector with **Colossus Minerals (CSI-T)** at \$0.68 and **International Tower Hill Mines (ITH-T)** at \$0.38 touching new 52-week lows.

**For the Week** – After achieving new record highs earlier in the week, the DJIA gave back 0.10% to 15,559, and the S&P 500 Index was almost flat in easing by 0.03% to 1,694, while **the NASDAQ Exchange closed up on the week by 0.70% to a new 13-year high of 3,613.** On the north side of the border, the TSX Composite lost 0.29% to 12,648 while the climbing back TSX Venture Exchange extended its consecutive weekly gains to 4 by rising another 0.53% to 925.

Gold bullion was up for a third consecutive week by gaining 2.87% to \$1,332-an-ounce, while crude oil lost 3.19% to \$104.70-a-barrel. The CRB Commodities Index lost 2.44-points to end the week at 284.46.

The Canadian dollar gave up 0.93% to end the week at US\$0.9733.

**And Finally** – With the advent of electric automobiles becoming more commonplace, as American sales of electric cars more than doubled in the first half 2013 over the same period last year, to over 40,000 units, the U.S. Department of Energy has come up with an 'eGallon' equivalent as a way to compare the fuel cost of driving an electric vehicle to a gas powered one. **And the eGallon equivalent cost to drive an electric car today in the United States is just.....now wait for it.....US\$1.18-a-gallon.**

**Rod Blake, ASCT**

*Investment Advisor*

[rod.blake@canaccord.com](mailto:rod.blake@canaccord.com)

**Lori Kennedy**

*Investment Advisor Assistant*

[Lori.kennedy@canaccord.com](mailto:Lori.kennedy@canaccord.com)

T: 604.643.7778

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

To view previous editions of “The Week”, “Articles of Interest” or to learn more about us please visit our website at [www.rodneycastle.com](http://www.rodneycastle.com)

**Our mission is to maximize the value of your portfolio through a dedication to investigation, research and innovative ideas, and to enhance your investment experience by providing the highest level of attention to detail and service available in the financial community.**

Sources: Bloomberg, Thomson Reuters, MarketWatch, Globe & Mail, Wall Street Journal, Dow Jones, Financial Times, National Post, Briefing.com, Credit Suisse, and StreetAccount.

Disclaimer: This publication is a general market commentary and for informational purposes only, it does not constitute a research report and does not contain investment advice. This commentary has been prepared using sources believed to be accurate and true. This material is not complete information respecting any security and therefore is not a sufficient basis on which to base an investment decision. The information contained in this commentary is drawn from sources believed to be reliable, but the accuracy and completeness of the information is not guaranteed, nor in providing it does Rod Blake, Canaccord Genuity Corp. or its subsidiaries, or affiliated companies, assume any liability. This information is current as of the date appearing in this commentary, and neither Canaccord Genuity Corp. nor Rod Blake assume any obligation to update the information or advise on further developments relating to these securities. This commentary is intended for distribution in those jurisdictions where Canaccord Genuity Corp. Rod Blake is registered as advisors or dealers in securities. Any distribution or dissemination of this commentary in any other jurisdiction is strictly prohibited. The information does not constitute an offer or solicitation in any jurisdiction in which such an offer or solicitation is not authorized, or to any person to whom it is unlawful to make such an offer or solicitation. Canaccord Genuity Corp. and holdings of its respective directors, officers and employees and their associations, from time to time may buy or sell any securities mentioned herein. This message is intended only for the use of the individual or entity to which it is addressed and may contain information which is privileged, confidential or subject to copyright. Internet communications cannot be guaranteed to be secure or error-free as information could be intercepted, corrupted, lost, arrive late or contain viruses. Canaccord Wealth Management is a division of Canaccord Genuity Corp., a Member of the Canadian Investor Protection Fund.