



The Week of April 1st to April 7th, 2013
“A Brief Look Back Into Tomorrow”

Good Morning -

The major North American markets started the new month with a double dose of April Fools when first, the gold bugs, who already thought that the yellow metal was trading at a low, were taken by surprise when the world's third currency fell by a further \$50 in two days to once again test its long term support levels at US \$1,550. Then, the **Dow Jones Industrials and the S&P 500 Index, which reached new post-recession highs of 14,662 and 1,570 respectively**, suddenly plunged on a less than encouraging US March payroll report.

The final push of the US markets to their new record highs came after the big three US automakers all reported encouraging sales growth for March.

Meanwhile, BlackRock reported that the 1st quarter saw a record US\$70.1-billion flow into US exchange traded funds or ETFs.

Some encouraging news came from the east when China reported its closely watch purchasing manager's index (PMI) rose in March by 0.8% to a 10-month high of 50.9.

The low price of gold bullion certainly helped purchasers of the yellow metal as industry sources report that in 2012 the world's central banks purchased a 48-year high of 532-tonnes of the world's third currency.

The week saw notable new 52-week trading highs in Canadian Pacific Railway (CP-T) at \$132.84 and WestJet Airlines (WJA-T) at \$25.20, both involved the transportation business and notable new lows for Barrick Gold (ABX-T) at \$26.53 Goldcorp Inc. (G-T) \$31.64 - which of course are major producers of gold bullion.

The Canadian Press calculates that TSX base metal stocks are down by 17.5% so far this year while the gold sector has plunged by an amazing 22.2%.

Best Buy (BBY-N) and Samsung are joining the co-marketing trend as the electronics manufacturer will begin to set up Samsung Experience Shops inside of Best Buy outlets.

With Facebook's (FB-Q) Mark Zuckerberg announces a new Facebook app for smartphones, it is of interest to note that **this week marked the 40th anniversary of the launch of the first cell phone.**

The Bank of Japan takes the markets by surprise by stating it will double its purchases of government bonds to US\$1.4-trillion in order to push the country's inflation rate to 2% within the next 2-years.

Statistics Canada reports that the country shed an unexpected 54,500 jobs in March, mostly from the manufacturing sector, pushing the unemployment rate up by 0.2% to 7.2% and causing BMO Capital Markets to comment that - "It doesn't get much uglier than this. The components of the report amplified the weakness. When you dig into the details, it suggests things were even worse than the ugly headline figure would suggest."

Meanwhile the US commerce Department reports their country produced a less than expected 88,000 new jobs in March, but still enough to drop their unemployment rate down by another 0.1% to 7.6%.

Canaccord's Debbie Lewis - "I've been laying here thinking about all the stuff I need to do today. After all, it's the thought that counts..."

For the Week -

The DJIA lost 0.08%, with the S&P 500 was down by 1.01% and the NASDAQ off by 1.95%. To the north, the TSX Composite index fell by 3.28% and the TSX Venture Exchange tumbled by 5.20% (the biggest weekly drop since 9/11)

And Finally -

Beer drinkers from Canada, and for that matter, throughout the world, who have attested for years about the weak brew purportedly served as beer by their American cousins, could not help but be amused to read that American beer drinkers have launched a class action suit against Anheuser-Busch (BUD-N), accusing the brewing giant of....now wait for it...watering down their products.

We'll be taking next week off as Evan is going south for some fun in the sun of Palm Springs. If all goes well we will be reporting again on Monday, April 22nd.

Interesting times.....and thanks.

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