



## The Week of October 7<sup>th</sup> to October 13<sup>th</sup>, 2013 “A Brief Look Back Into Tomorrow”

### Good Day

Tick talk. Tick talk. The American debt ceiling clock kept ticking ever closer to its October 17<sup>th</sup> deadline while the talking heads of the U.S. government played a very dangerous game of economic chicken while nervous investors throughout the world watched helplessly as their portfolios suffered because of it. We began the week with some 15% of the non-essential parts of the U.S. government services, such as national parks, shut down.

Something besides government finally got some press on **Monday, October 7<sup>th</sup>**, as **Talisman Energy Inc.** (TLM-T) shares surged on word that investment icon Carl Icahn had declared he had purchased a 6% interest in the underperforming Canadian oil company.

Meanwhile the shareholders of **Manitoba Telecom** (MTC-T) were frustrated to see their investment drop by over 8% to \$29.71 after the Government of Canada sighted ‘security’ concerns (?) as a reason to negate the central province’s telecommunications company \$520-million sale of its Allstream wireless entity to Egypt’s Accerlero Capital Holdings.

And with a pattern that is beginning to resemble a saw blade, Statistics Canada reported that the value of the country’s building permits fell by an unexpected 21.2% in August to \$6.3-billion, after rising by an equal 21.4% just one month before.

The closely watched **CBOE Volatility Index** (VIX-N) couldn’t stand the heat of the U.S. budget standoff and rose by 0.63-points on **Tuesday, October 8<sup>th</sup>**, to cross above the significant neutral 20-level to end the day at a somewhat nervous level of 20.02.

The Canadian, and for that matter, business world was saddened on **Wednesday, October 9<sup>th</sup>**, to learn of the passing of 86-year old Canadian business icon Paul Desmaris, who over fifty-some years guided his family’s local bus company into the multinational holding company **Power Corporation of Canada**.

The shareholders’ of **Pretium Resources** (PVG-T) are shocked to see their investment plunge

by almost 35% to \$4.56 on word that Strathmore Mineral Services, the independent firm that was overseeing the extraction of the all-important 10,000 tonne bulk sample being taken from the company's very high grade Brucejack gold/silver project in northwest British Columbia, had resigned due to conflicts with company management.

While still on the subject of gold, the yellow metal's support continued to be under assault as it slipped by another \$10.30 to fall below \$1,300 to end the day at US\$1,296.90.

Under our continuing heading of 'Good News – Bad News' – The good news from the Bank of Montreal is that the gap in pricing from Canadian to U.S. consumer goods has narrowed by some 4% in the past two-years to about 10%. The bad news is that most of the reduction is due to the drop in the value of the Canadian dollar.

**Air Canada** (AC.B-T) continued to be the Canadian market darling last week as it established a new 52-week trading high of \$4.95 (Which is really bazaar in that practically no-one, from passengers to their own employees, like this company). Also establishing a new 52-week high was **Sirius XM Canada Holdings** (XSR-T) at \$8.85 and **Bellatrix Exploration** (BXE-T) at \$8.50. On the other side of the ledger, **Labrador Iron Mines Holdings** (LIM-T) at 0.39 established a new 52-week trading low, along with **Niko Resources** (NKO-T) at \$2.41 and **Newmont Mining** (NMC-T) at \$26.61.

Canadian employment figures looked a little better on **Friday, October 11<sup>th</sup>**, when Statistics Canada reported that the country added 11,900 new jobs in September and the unemployment rate fell by 0.2% to 6.9%.

It seems everybody likes to complain about their mail carrier, except when the company goes public, as was the case with Britain's near 500-year-old Royal Mail, whose shares' rocketed up by 40% to touch 456-pence on their first day of trading. (But was their delivery any better?).

**For the Week** – The Dow Jones Industrials almost reversed the previous week's loss by gaining 1.09% to 15,237, with the S&P 500 Index gaining 0.75% to once again rise above 1,700 to end the week at 1,703 while the NASDAQ eased by 0.42% to drop below 3,800 to finish the week at 3,792. To the north, the TSX Composite Index improved by 1.05% to 12,892 while the TSX Venture Exchange fell by 2.67% to 929.

The Canadian dollar eased by 0.42% to US\$0.9656, while gold bullion plunged by 3.09% to just US\$ 1,269.20, crude oil fell by 1.67% to US\$101.87 and the CRB Commodities Index dropped by 0.77 points to 286.61.

**And Finally** – We are killing our pets with too much food, or so states the Texas Veterinary Medical Association that reported that approximately 54% of North American dogs and cats are overweight, which increases their risk for arthritis, diabetes, high blood pressure and.....decreased life expectancy.

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