



## The Shortened Week of September 3<sup>rd</sup> to September 8<sup>th</sup>, 2013 “A Brief Look Back Into Tomorrow”

### Good Afternoon

The first week of the ninth month begins with investors of American securities looking over their shoulders at a market that had a rare negative month in August, as many tried to lock in gains ahead of what is traditionally a very tentative September, while those in Canadian securities looked back at a market that actually gained in August as Canadian banks and consumer stocks hit new yearly highs and resource stocks continued their tentative uptrend as the Canadian market tried to close the gap on the previous gains made by its American counterpart.

The leaders of the world's twenty largest economies, (G20), gather in St. Petersburg, Russia to discuss the world's economy and possible sanctions against the Syrian government after the world was shocked to see videos that depict the government there may be using lethal chemicals against its own people.

Technology deals gave a spark to the first day of trading after the Labour Day long weekend on **Tuesday, September 3<sup>rd</sup>**, when Nokia (NOK-N) shares' surged up by 43% to US\$5.58 on word that software giant **Microsoft** (MSFT-Q) had agreed to purchase Nokia's smartphone unit and patents in an all cash deal worth some US\$7-billion.

Elsewhere, phone giant **Verizon Communications** (VZ-N) purchases Britain's **Vodafone Group's** (VOD-N) 45% interest in its Verizon Wireless unit in a near record breaking all-cash deal worth some US\$130-billion.

While to the north, Canadian telecommunication stocks **BCE** (BCE-T), **Rogers Communications** (RCI.B-T) and **TELUS** (T-T) all rose by 3% or better when Verizon Communications dispelled any rumours that it was looking to cross the border to enter the Canadian market.

And **Fission Uranium Corp.** (FCU-V), looking to maximize the value of their Patterson Lake South uranium discovery in northern Saskatchewan, reached a deal to buy out its joint venture partner **Alpha Minerals Inc.** (AMW-V) for a 14.5% premium, all-stock deal of \$7.67 per Alpha share and take 100% control of what may be a world class uranium deposit.

Meanwhile, most resource prices and stocks continued to improve after the closely watched **Chinese Purchasing Managers Index or PMI rose by another 0.7% in August to a 5-month high of 51.0**, and China's Premier Li Keqiang maintained his country would achieve its target growth rate of 7.5% this year.

Although **Gabriel Resources** (GBU-T) shares' plunged by over 18% to \$1.39 after protesters continued to disrupt progress on the company's Rosia Montana gold mine in Romania.

The Eurozone showed continued signs of economic improvement on **Wednesday, September 4<sup>th</sup>**, when its PMI for August rose by a better than expected 1.1-points to 51.4 and officially pulling the region out of its prolonged recession.

The Bank of Canada surprises no one and keeps its key interest rate to 1%. North American automakers **Chrysler Group, Ford Motor Co.** (F-N) and **General Motors** (GM-N) said that they had near record sales growth for the month of August on both sides of the border.

Meanwhile, the acquisitions game continues with **Louisiana-Pacific Corp.** (LPX-N) purchasing Canada's **Ainsworth Lumber Co.** (ANS-T) in a cash/stock & assumed debt deal worth a 30% premium to Ainsworth shareholders of \$1.1-billion or \$3.76-a-share, and giving Louisiana-Pacific access to the lucrative oriented strand board market used extensively in the housing industry.

Attention taxpayers – While last week's G20 economic summit in St. Petersburg, Russia couldn't agree on sanctions to Syria, it did manage to agree on one thing on **Thursday, September 5<sup>th</sup>** - and that was to share tax records by 2015 in a concerted effort to crack down on individual and corporate tax evasion.

With yet another indicator of an improved U.S. economy, United Airlines announced it was recalling the last 600 of almost 1,500 pilots it laid off during the 2008-09 economic crisis.

Two positive economic numbers came out of Canada on **Friday, September 6<sup>th</sup>**, when our Ivey Purchasing Managers Index matched those of China and Europe above, by rising by a much better than expected 2.6-points in August to cross above the expansionary level of 50 to 51.0.

Meanwhile, Statistics Canada reported that the economy produced a surprising 59,200 new jobs in August, bringing the country's unemployment rate down by 0.1% to 7.1%.

South of the border, the employment numbers weren't quite as robust as the U.S. Labor Department reported their economy created a less than expected 169,000 new jobs in August, but still managed to bring the American unemployment rate down by 0.1% to 7.3%.

Beleaguered Indian natural gas explorer and producer **Niko Resources** (NKO-T) share price fell by another 15.85% last Friday to just \$3.45 on speculation that the Indian government would be challenged on its right to boost their domestic price of natural gas by \$4 to over \$8/mbtus and thus negating much of the company's profit potential..

Consumer and bank stocks continued to shine on the TSX with **Canadian Tire Corp.** (CTC.A-T) at \$92.31, **IMAX Corp.** (IMX-T) at \$29.92, **Royal Bank of Canada** (RY-T) at \$67.00 and **TD Bank** (TD-T) at \$92.25, all establishing new 52-week trading highs, while interest sensitive **Artis REIT** (AX.UN-T) at \$13.42 and **Fortis Inc.** (FTS-T) at \$29.78 fell to new TSX 52-week trading lows.

**For the Week** – The Dow Jones Industrial index turned itself around and gained 0.77% on the week to 14,923, while the S&P 500 Index advanced by 1.37% to 1,655 and the NASDAQ Exchange improved by 1.95% to 3,660. On the Canadian side, The TSX Composite Index improved by another 1.32% to 12,821 and the TSX Venture Exchange gaining another 1.66% to end the week at 956. The Canadian dollar gained 1.19% to end the week at US\$0.9605, while gold bullion eased by 0.34% to \$1,389.50 and crude oil rose by 2.32% to \$110.20. The CRB Commodities Index advanced by 2.63-points to end the week at 293.34.

**And Finally** – A new and uniquely concave shaped skyscraper built by experienced developer Canary Wharf Group in London, England has recently been redirecting and focusing the sun's light on the street below in such a manner as to melt the plastic trim of a Jaguar automobile, as well as damaging paint and burning carpeting at the street level of adjacent buildings.

**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.rodneyblake.com](http://www.rodneyblake.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.