



The Week of November 11<sup>th</sup> to November 17<sup>th</sup>, 2013

Brief Look Back Into Tomorrow”

Good Day

The second week of the month begins quietly and on a solemn note on **Monday, November 11<sup>th</sup>**, as investors stopped to reflect and pay tribute to their veterans on Remembrance Day in Canada and Veterans Day in the United States.

Deals were the order of the day on this quiet day of trading with the shares’ of **Aastra Technologies** (AAH-T) rising by almost 15% to \$32.45 on a \$392-million cash & stock takeover by fellow business communications specialist **Mitel Networks** (MNW-T).

While to the south, **ViroPharma** (VPHM-Q) shareholders’ were rewarded with a 25.5% jump in their investment price to US\$49.41 when the rare disease drug company agreed to a US\$4.2-billion buyout by **Shire PLC** (SHPG-Q).

If you’ve ever really wondered how much natural resources mean to Canada consider this, according to Postmedia, **Canada is - The world’s largest potash producer, 2<sup>nd</sup> largest uranium producer, 3<sup>rd</sup> in producing hydroelectricity, has the world’s 3<sup>rd</sup> largest crude oil reserves and is 6<sup>th</sup> in oil production, and Canada is the world’s 5<sup>th</sup> largest producer of natural gas**, and accounts for some 15% of the country’s gross domestic product (GDP).

Uranium investors finally got a small piece of encouragement on **Tuesday, November 12<sup>th</sup>** when the price of the mineral actually went up as the weekly spot quote for yellowcake U3O8 climbed above \$35 for the first time in months to be set at US\$35.35–a-pound.

While on a similar vein, a resource stock actually hit a new high as **Lucara Diamond** (LUC-T) shares’ climbed by about 2.5% to a **new all-time high of \$1.69** when the African diamond miner reported 3<sup>rd</sup> quarter financials that more than beat analysts’ expectations.

Earlier in the year, we had hinted that resource companies would be more creative in attracting investor attention in this extremely poor resource market than the talking heads gave them credit for, as was the case of **Alix Resources Corp. (AIX-V)**, whose share price suddenly rose by \$0.025 to \$0.055 on a volume of over 2-million shares a day when the small explorer stated they would start to pay their field contractors in.....now wait for it.....Bitcoins virtual currency.

Two of Canada's largest grocers had bad days on **Wednesday, November 13<sup>th</sup>**, when **Loblaw Co. (L-T)** and **Metro Inc. (MRU-T)** shares' fell by 7.5% and 5.65% respectively when they stated that tight margins were the main reason that their 3<sup>rd</sup> quarter financials didn't live up to analysts expectations.

**Canadian Solar (CSIQ-Q)**, on the other hand, had a good day, with its stock price rising by almost 14% to \$3.91 cited increased power plant sales as the main reason the company posted its first quarterly profit in over 2-years.

**Macy's Inc. (M-N)** shares' improved by about 9.5% to US\$50.71 when the giant American retailer posted higher than expected 3<sup>rd</sup> quarter sales.

The markets received another dose of verbal stimulation on **Thursday, November 14<sup>th</sup>** when **Federal Reserve (Fed) Chairman elect Janet Yellen** assured the Senate Banking Committee that she would not be straying far from current Fed Chairman Ben Bernanke's ongoing program of economic stimulus that has created some 7.8-million jobs since the economic recovery began in 2010.

Jeff Bezos – "If you never want to be criticized, for goodness sake, don't do anything new."

Further economic stimulus was good for **Linamar Corp. (LNR-T)** shares that gained over 13% to \$40.55 when the industrial equipment manufacturer handily beat the street with its 3<sup>rd</sup> quarter financials.

**Niko Resources (NKO-T)** shares' fell into a death spiral on **Friday, November 15<sup>th</sup>**, and plunged by 57% to \$1.12 when the Indian Ocean petroleum explorer reported less than stellar 3<sup>rd</sup> quarter financials and stated that moving its projects forward would require ongoing financings.

Just a few short months after announcing a significant position in the giant oilsands producer **Suncor Inc. (SU-T)**, and now **Warren Buffett** announces he has taken a US\$3.35-billion position in America's largest oil company **Exxon Mobil Corp. (XOM-N)**.

The Canadian real estate market moved steadily along over the past year as the **Canadian Real Estate Association reported that the price of an average home rose by**

**8.5% in the past year to October to \$391,820.**

Transportation, consumer and bank stocks continued to dominate the market with **WestJet Airlines** (WJA-T) at \$28.47, **Canadian Tire Corp.** (CTC.A-T) at \$100.05 and **Bank of Nova Scotia** (BNS-T) at \$65.82 all establishing new TSX 52-week trading highs, while like a broken record, resource issues continued to pull it down with **Detour Gold** (DGC-T) at \$5.35, **Niko Resources** (NKO-T) at \$1.12 and **Sherritt International** (S-T) at \$3.25, all touching new 52-week trading lows.

And new index highs were again established with the **TSX Composite Index** reaching a new 2-year closing high of **12,483**, with the **NASDAQ Exchange** climbing to a new 13-year closing high of **3,986**, and the **DJIA** and **S&P 500** reaching new respective 52-week record closing highs of **15,962** and **1,798**.

**For The Week** – The **Dow Industrials** rose by 1.27% to 15,962, with the **S&P 500 Index** up on the week by 1.56% to 1,798 and the **NASDAQ Exchange** ahead by 1.71% to 3,986. The **DJIA** and the **S&P 500** have now put together a string of six consecutive weekly gains. To the frosty north, the **TSX Composite Index** gained 0.78% to 13,483 while the **TSX Venture Exchange** eased by 0.36% to 934.

**Gold bullion** ended the week unchanged at US\$1,287.30-an-ounce, while **crude oil** improved marginally by 0.04% to US\$94.42-a-barrel and the **Canadian dollar** improved by 0.29% to US\$0.9572. The **CRB Commodities Index** rose by 0.50-points to end the week at 274.34.

**And Finally** – We're sure there is no need to panic and start hoarding your favourite cabernet sauvignon, but it seems that research by Morgan Stanley points to a significant wine shortage that may be on the horizon. MS reports that adverse weather patterns in Europe over the past number of years has caused world wine production to fall to 2.8-billion cases-a-year while global wine demand is about 3-billion cases-a-year. This has caused wine inventories to fall to a 40-year low of 300-million cases in 2012, well down from the peak of 600-million cases in inventory that was established in 2004. (We just may have to switch to a nice Merlot).

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