



The Week of March 17th to March 23rd, 2012
“A Brief Look Back Into Tomorrow”

Good Afternoon

Following a week that saw the U.S. major markets build upon continuing encouraging domestic American employment data by reaching new multi-year highs as they ran their weekly winning streak to five, while their counterparts north of the border fell behind on stagnant Canadian economics and falling gold bullion prices, the weekend media reported that -

As the we're all a bit Irish brokers and traders closed their terminals before heading home for a St. Patrick's Day weekend, they pondered the markets recent divergence in that for the 11th week of 2012, the Dow Jones Industrial Average had returned an impressive gain of 2.40%, with the S&P 500 Index up on the week by 2.41%, and the NASDAQ Exchange up on the week by 2.20%. North of the border, the TSX Composite Index slipped on the week by 0.05%, while the TSX Venture Exchange lost a disappointing 2.67%.

Some of the 43 new TSX 52-week trading highs established last Friday were Astral Media (ACM.A-T) at \$48.59, Bird Construction (BDT-T) at \$14.55, Canadian Pacific Railway (CP-T) at \$77.50, COGECO Inc. (CGO-T) at \$50.78, Exco Technologies (XTC-T) at \$4.93, The Keg Royalties Income Fund (KEG.UN-T) at \$14.21, Lululemon athletica (LLL-T) at \$73.91, McCoy (MCB-T) at \$.39, Quebecor Inc. (QBR.A-T) at \$36.75, Russel Metals (RUS-T) at \$27.92 and Westport Innovations (WPT-T) at \$47.69, while a few of the 24 new 52-week lows were Aquila Resources (AQA-T) at \$0.44, Claude Resources (CRJ-T) at \$1.03, Nevsun Resources (NSU-T) at \$3.19, Petequilla Minerals (PTQ-T) at \$0.50, Rainy River Res. (RR-T) at \$5.47, Semafo Inc. (SMF-T) at \$5.13 and TransAlta Corp. (TA-T) at \$19.15.

Russell Investments - “United States’ fundamentals are improving, corporate profits are rising, and the American market has really good upward momentum.”

BMO Capital Markets - “The TSX underperformed last week as gold, energy and telecom all fell. The performance in Canada continues to be woefully inferior. In fact, the gap in year-over-year performance between the TSX and S&P 500 neared a massive 20 percentage points at one time last week, the widest since 1999. Nowhere is it clearer than in the labour market, where U.S. employment has advanced 1.1% since last June, versus a 0.2% gain in Canada. Consumer stocks have outperformed significantly in the U.S., and could continue to do so given more pent-up demand for homes and cars, and positive credit growth after 2-years of deleveraging.”

Statistics Canada reported last Friday that Canadian manufacturing sales fell by 0.9% in January to \$49.6-billion.

Statistic Canada also reported that foreign investors reduced their holdings of Canadian stocks by \$1.4-billion in January while Canadians increased their holdings of foreign stocks by \$3.4-billion.

Astral Media Inc. (ACM.A-T) shares' surged by \$12.34 or 34.40% to \$48.59 when the Quebec based media conglomerate agreed to \$3.38-billion cash & debt takeover proposal from Canadian media giant BCE Inc. (BCE-T).

Similarly, the price of Viterra (VT-T) stock rose by \$1.44 or 9.83% to \$16.09 when the Saskatchewan based grain handler reported it was analyzing prospective take-over offers.

The share price of Teekay Tankers (TNK-N) rise by \$0.52 or 11.02% to US \$5.24 when the shipping company issues an improved guidance for the first quarter due to improving tanker rates in a more balanced shipping market.

Canaccord's Debbie Lewis - "It's okay to pretend we're Irish on St. Patrick's Day. We pretend were good on Christmas, don't we?"

And then on Monday, March 19th -

Apple Inc. (AAPL-Q) shares' climb and surpass US \$600 when the technology giant announces it will return some of its US \$100-billion treasury to its shareholders by paying a quarterly dividend of \$2.65 a share as well as buying back up to US \$10-billion of its stock.

Statistics Canada reports the country's wholesale sales fell unexpectedly in January by 1.0% .

Canaccord's Junior Mining Weekly - "Last week, the US\$ denominated bullion price fell \$71.3/oz or 4.2% in one trading session, taking gold equities for an even more severe plunge....What was the main catalyst for the sell off in the bullion price? The U.S. Fed did not mention plans for further stimulus (i.e. QE3). With that news, and improved confidence in the state of the U.S. economy, the market assumed the US\$ should strengthen, which is ultimately negative for the bullion price."

The price of Adams Golf (ADGF-Q) shares' rise by \$0.89 or 9.035 to US 410.75 when the company agrees to a US \$70-million all cash takeover offer from rival TaylorMade-Adidas.

The shareholders' of Cardiome Pharmaceutical (COM-T) are shocked to see their investment plunge by \$1.03 or 53.93% to \$0.88 when pharma giant Merck (MRK-N) withdraws support for further development of the company's oral vernakalant drug that was hoped to give long term prevention of atrial fibrillation recurrence.

Glentel (GLN-T) shares' also fall by \$1.56 or 8.73% to \$16.30 when the wireless distributor reports it was unable to secure the sale the widely popular Apple iPhone for its WIRELESS retail outlets.

The S&P 500 Index gains 6-points to close at a new 4-year high of 1,410.

The Dow Industrials rise by 6-points to close at a new 4-year high of 13,239.

The NASDAQ Exchange improves by 23-points to close at a new 12-year high of 3,078.

Corrie ten Boom - "The measure of life, after all, is not it's direction, but its donation."

Tuesday, March 20th -

Monday's mixed day of trading leaves Canaccord's Morning Coffee to report a reduced 36 new 52-week trading highs to go along with 22 new 52-week lows. A mix of the new highs of note includes Alimentation Couche-Tard (ATD.B-T) at \$32.58, Cineplex inc. (CGX-T) at \$28.89, HOMEQ (HEQ-T) at \$8.00, Jean Coutu Group (PJC.A-T) at \$13.69, Methanex Corp. (MX-T) at \$33.92, PowerShares (QQC-T) at \$23.81, Rocky Mountain Dealerships (RME-T) at \$11.55, Softchoice Corp. (SO-T) at \$12.52 and Wajax Corp. (WJX-T) at \$49.28, while a few of the new lows of interest were Air Canada (AC.A-T) at \$0.86, Brigus Gold (BRD-T) at \$0.78, Cardiome Pharma (COM-T) at \$0.82, Diamond Fields Int'l. (DFI-T) at \$0.09, Guyana Goldfields (GUY-T) at \$3.86, Intrepid Mines (IAU-T) at \$0.82, Loblaw Cos. (L-T) at \$3.09, MNC Partners (MDZ.A-T) at \$11.56, SMART Technologies (SMA-T) at \$3.01 and White Tiger Gold (WTG-T) at \$0.51.

Harbor Advisory Corp. - "You're getting initiations and increases in dividends, and people are starting to recognize there is nowhere to go but into equities."

Notley's Notes - "Since the current long term cyclic bear originated one year ago, one intermediate downleg has unfolded and most of its recovery rally. The current short term uptrend is the fourth since the recovery originated last autumn. It is likely to persist until late March on."

The U.S. Commerce Department reports their new housing starts came in at a little less than expected 698,000 units in February, while new building permits rose to a better than expected 717,000 units.

Mining giant BHP Billiton (BHP-N) reports it expects a flattening of Chinese iron ore demand going forward.

Intrepid Mines' (IAU-T) shares' fall by \$0.10 or 12.20% to \$0.92 on word that the Indonesian government may cap foreign ownership of mines to 49%.

The shares' of Tiffany & Co. (TIF-N) gain \$4.59 or 6.68% to US \$73.27 when the diamond company forecasts better than expected 2012 sales and earnings.

Dr. Joyce Brothers - "Success is a state of mind. If you want success, start thinking of yourself as a success."

Wednesday, March 21st -

Yesterday's mostly negative day in the markets leaves the TSX to report a lesser 23 new 52-week trading highs and an increased 32 new lows. Some of the new highs of interest were Aurora Oil & Gas (AEF-T) at \$4.10, The Brick (BRK-T) at \$3.70, Canexus Corp. (CUS-T) at \$8.32, Element Financial (EFN-T) at \$5.70, Intertape Polymer Group (ITP-T) at \$4.43, Mood Media (MM-T) at \$3.90, North West Co. (NWC-T) at \$22.18, Peer 1 Network Enterprises (PIX-T) at \$2.08, Serica Energy PLC (SQZ-T) at \$0.68, Whitecap Resources (WCP.R-T) at \$9.40 and Xceed Mortgage Corp. (XTC-T) at \$4.95, while a grouping of the new lows of note includes Birchcliff Energy (BIR-T) at \$9.22, Eldorado Gold (ELD-T) at \$12.87, 5N Plus (VNP-T) at \$3.52, Goldcorp Inc. (G-T) at \$42.46, IAMGOLD (IMG-T) at \$12.85, Kirkland Lake Gold (KGI-T) at \$12.91, MEGA Brands (MB-T) at \$6.33, New Dawn Mining (ND-T) at \$0.75, Orezone Gold (ORE-T) at \$2.11 and Queenston Mining (QMI-T) at \$4.10.

RBC Dominion Securities - "Gold and oil are both down as the market turned cautious on China. A soft landing scenario remains the most likely outcome for China and in that there is no change. What has appeared to change is the market's appreciation of the deceleration in growth that a soft landing scenario entails and the reduced demand that comes with it."

Direct Access Partners - "The news out of China caused everybody to look up and take a breath, but the sentiment hasn't changed. It's still bullish."

Technical analysts Dave Harder & Ron Meisels - "It is normal for stocks to experience a short, minor dip once they have rallied for 2½-months. On Tuesday, March 6th, the DJIA and TSX fell more than 200-points for the biggest decline of 2012. However, markets recovered as the week progressed. This, the short term trend for the S&P 500 remained positive....Markets can correct by declining, or by consolidating in a trading range."

Statistics Canada reports the country's Leading Indicator Index gained a further 0.6% in February.

The National Association of Realtors reports that U.S. existing home sales met expectations in February of 6.59-million units, while inventories rose by 4.3% to a 6.4-month supply of 2.43-million homes.

U.S. Fed Chairman Ben Bernanke on higher oil prices - "Higher energy prices would probably slow growth, at least in the short run. Rising fuel prices create at least short term inflation pressures, and moreover, they act as a tax on household purchasing power and reduce consumption spending, and that also is a drag on the economy."

China reports its Purchasing Managers Index (PMI) fell by 1.5-points this month to a lower than expected level of 48.1, the 3rd consecutive monthly drop and the second month below the economically contractional level of 50.

The shares' of Green Mountain Coffee (GMCR-Q) rise by \$5.09 or 10.04% to US \$55.79 when the maker of the Keurig single cup coffee dispenser reports it has established a co-marketing agreement with coffee giant Starbucks (SBUX-Q).

Krispy Kreme Doughnuts (KKD-N) shares' fall by \$0.73 or 8.60% to US \$7.76 when the super sweet doughnut maker lowers its forward guidance for fiscal 2013. (MMMMnnnn doughnuts....)

TriOil Resources shares' gain \$0.31 or 8.96% to \$3.77 when the petroleum explorer releases a positive drilling update for its Kaybob Dunvegan and Lochend Cardium oil plays.

The closely watched CBOT volatility Index or 'VIX' drops by 0.62-points to fall below 15 to close a very calm level of 14.96.

Thursday, March 22nd -

Wednesday's mixed day in the markets leaves the TSX with 31 new 52-week trading highs to go along with 20 new 52-week trading lows. Across section of the interesting new highs includes Boston Pizza Royalties (BPF.UN-T) at \$17.39, Cervus Equipment (CVL-T) at \$18.90, Gamehost Inc. (GH-T) at \$11.79, Horizon North Logistics (HNL-T) at \$6.29, Martinrea International (MRE-T) at \$10.38, Points International (PTS-T) at \$10.65 and Timber Creek Global Real Estate (TGF.UN-T) at \$12.12, while a few of the new lows of note were BioteQ Environmental (BQE-T) at \$0.18, Eastern Platinum (ELR-T) at \$0.43, Goldgroup Mining (GGA-T) at \$0.99, Heritage Oil (HOC-T) at \$2.13, North American Energy Partners (NOA-T) at \$4.38.

Richardson GMP - "For the past couple of weeks the Canadian market has been predominantly driven off the commodity space, but you're not seeing a lot of movement recently. It's a reflection of the fact that there really hasn't been a great deal of news or development from an economic standpoint."

Portfolio Management Corp. - "The U.S. economy appears to be recovering better than most pundits expected, as recently evidenced by the sharp rise in interest rates on bonds... In addition, the negativity towards Europe and European equities also seems to be abating.... As such, we have become more positive on equities and are in the process of favoring companies with more economic sensitivity as well as ones that will benefit from rising interest rates."

Statistics Canada reports the country's retail sales rose in January by a less than expected 0.5%.

The U.S. Labor Department reports their initial jobless claims fell by 3,000 last week to 348,00 claimants.

The U.S. Commerce Department reports their New Home sales fell by 1.6% in February to 313,000 units.

Avion Gold (AVR-T) shares' plunge by \$0.34 or 24.82% to \$1.03 on word that a military coup had overthrown the government of Mali, where the gold miner has its Tabakoto gold mine.

The shares' of Colabor Group fall by \$2.50 or 23.81% to \$8.00 when the food products wholesaler and distributor fails to impress the street with its 4th quarter financials.

Conversely, Corvus Gold (KOR-T) shares rose by \$0.08 or 10.39% to \$0.85 when the mineral explorer reports encouraging drill hole gold assays from its North Bullfrog Project near Beatty, Nevada.

And the share price of Sturm Ruger (RGR-N) gain \$5.63 or 13.31% to a record high of US \$47.93 when the American gum maker reports that demand for its products was rising so fast, it was not taking any new orders until May.

Friday, March 23rd, Short Strokes -

Yesterday's continued market negativism leaves the TSX to report a reduced 25 new 52-week market highs and an increased 32 new lows. Some of the notable new lows were AutoCanada Inc. (ACQ-T) at \$9.95, Bauer Performance Sports (BAU-T) at \$7.60, Canadian Helicopters Group (CHL.B-T) at \$27.99, Harwood Distribution (HWD-T) at \$4.05 and TearLab Corp.(TLB-T) at \$3.15, while Some of the notable new lows were Avion Gold (AVR-T) at \$1.03, Bonavista Energy (BNP-T) at \$19.77, Celtic Exploration (CLT-T) at \$14.87, Great Basin Gold (GBG-T) at \$0.65, Khan Resources (KRI-T) at \$0.15, Levon Resources (LVN-T) at \$0.69, Niko Resources (NKO-T) at \$34.48, Peyto Exploration & Development (PEY-T) at \$16.75 and Stonegate Agricom (ST-T) at \$0.65.

Venable Park Investment Council - "The correlation between commodities and the Canadian market is very high. This is not only because we're fairly overweight in that sector, but also because of this whole perception of Chinese demand fueling commodity-based countries."

Statistics Canada reports the country's inflation rate rose in February to 2.6%, while the core inflation rate rose to 2.3%.

The U.S. Bureau of Labor Statistics reports that as of 2010, American women still only earned 81% of the median weekly earnings of their male counterparts.

Technomic Inc. reports that Wendy's Co. has surpassed Burger King Holdings Inc. as America's second largest hamburger chain.

U.S. Secretary of State Hillary Clinton - "Why extremists always focus on women remains a mystery to me. But they all seem to. It doesn't matter what country they're in or what religion they claim. They want to control women."

The UN Population Division reports the average global life expectancy of a person born today has increased by 7.2-years since 1985 to 69.3-years.

Kaiser Insurance in Colorado, through its 'Weigh & Win Program', is offering its clients 3-month incentives of \$15 - \$150 dollars to lose weight.

The Lancet Medical Journal reports that a daily dose of aspirin has been found to help prevent the development and spread of cancer.

Mobile analytics firm Flurry reports that China has overtaken the United States as the world's largest users of smartphones.

While closer to home, Flurry reports that Apple Inc. (AAPL-Q) has overtaken Research In Motion (RIM-T) as Canada's largest smartphone retailer.

The American Association of Individual Investors (AAII) reports that bullish market sentiment fell by 3.3% last week to 42.4%.

Canaccord's Debbie's Lewis - "Start off every day with a smile and get it over with."

For The Week –

The DJIA lost 152-points to 13,081, the S&P 500 lost 7-points to 1,397, the TSX lost 31-points to 12,466, the NASDAQ gained 13-points at 3,068 and the JVX lost 50-points to 1,556.

Gold gained \$6.60 to \$1,662.40, Silver lost \$0.33 to \$32.27, Crude Oil lost \$.55 to \$106.87, Natural Gas lost \$0.07 to \$2.37 and Copper lost \$0.07 at \$3.81.

The CRB Commodities Index followed base metals, crude oil and natural gas lower to lose 3.46-points to end the week at 314.47.

The Canadian dollar lost 0.61-cents against its American counterpart to close the week at US \$1.0017 and the Euro gained 0.92-cents against the greenback to end the week at US \$1.3265.

And Finally -

Author Mark Walton agrees the human brain is not wired for immediate retirement but for constant reinvention in that - "The mature brain may lose some of the processing speed and accuracy that the younger brain has, but it isn't inferior. The mature brain is just organized differently. And especially when it is adequately challenged, it keeps growing and developing new strengths and assets that the average younger brain cannot compete with because of the reservoirs of knowledge seniors have - what we sometimes call wisdom."

Interesting Times.....and thanks

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