



The Week of March 23<sup>rd</sup> to March 30<sup>th</sup>, 2012  
“A Brief Look Back Into Tomorrow”

## Good Afternoon

Following a mixed week of trading where profit taking seemed to be the major theme of the major North American markets as investors locked in or protected hard earned returns going into the end of the first quarter, the weekend media reported that -

As the looking for an edge brokers and traders locked up shop last Friday afternoon, they knew from the tone of the day that perhaps the initial bull market of 2012 was taking a rest in that for the 12<sup>th</sup> week of the year the Dow Jones Industrial Average eased by 1.15%, with the S&P 500 Index down on the week by 0.50% while the NASDAQ Exchange managed a gain of 0.43%. To the north, the TSX Composite index gave back another 0.25%, with the TSX Venture Exchange falling by an additional 3.11%.

Some of the 22 new TSX 52-week trading highs established last Friday were AutoCanada Inc. (ACQ-T) at \$10.38, Boston Pizza Royalties (BPF.UN-T) at \$17.75, COGECO Inc. (CGO-T) at \$53.00, Hardwoods Distribution (HWD-T) at \$4.10, lululemon athletica (LLL-T) at \$76.68, Morguard Corp. (MRC-T) at \$94.24, Shoppers Drug Mart (SC-T) at \$43.78 and Tim Hortons (THI-T) at \$53.61, while a few of the 14 new 52-week trading lows include Air Canada (AC.A-T) at \$0.77, Cardiome Pharma (COM-T) at \$0.77, Levon Resources (LVN-T) at \$0.67, MEGA Brands (MB-T) at \$5.71 and Skope Energy (SKL-T) at \$0.48.

Robert W. Baird - “The U.S. market’s had a big run for the first quarter and we could see some sort of consolidation phase, but we don’t see the market vulnerable to any significant correction.”

BMO Capital Markets - “While news from abroad largely swayed market sentiment last week, Canada’s economic news is showing increasing evidence that Canada’s economy is sputtering. With declines in manufacturing, exports, and wholesale activity, it now looks like January GDP slipped, prompting us to trim an already so-so 1<sup>st</sup>-quarter growth outlook.”

Silver Wheaton (SLW-T) shares’ gained \$1.68 or 5.25% to \$33.65 last Friday as the loans against silver production company handily beat the street with its 4<sup>th</sup> quarter financials.

Jimi Hendricks - “Knowledge speaks, but wisdom listens.”

**And then on Monday, March 26<sup>th</sup> -**

The last trading week of the first quarter begins with investors waiting to hear the tone of today's economic update by U.S. Fed Chairman Ben Bernanke, and they weren't disappointed as the Fed Chairman left the door open for continued low interest rates and continued economic stimulation in that - "Further significant improvements in the unemployment rate will likely require a more rapid expansion of production and demand from consumers and businesses, a process that can be supported by continued accommodative policies."

**The Metals Economics Group reports that a record US \$18.2-billion was spent on global non-ferrous mineral exploration in 2011, a 44% increase from 2010. Canada maintained its second place standing behind Africa with 18% of the exploration expenditures.**

The shares' of African Oil (AOI-V) surge up by \$1.00 or 42.55% to \$3.35 when the mineral explorer reports an oil discovery at its Ngamia-1 well in the Lokichar Basin, Kenya.

Similarly, WesternZagros Resources (WZR-V) shares' gain \$0.07 or 10.45% to \$0.74 when the junior petroleum explorer reports an oil discovery at its Kurdamir-2 exploration well in the Kurdistan Region of.....Iraq.

The shareholders' of Lions Gate Entertainment (LGF-N) are pleased to see their investment rise by \$0.65 or 4.47% to US \$15.18 when the filmmaker's "The Hunger Games" posts the 3<sup>rd</sup> largest opening weekend in movie history.

**The price of natural gas falls by \$0.06 to close at a new 10-year low of US \$ 2.32 per million cubic feet (MCF).**

**The S&P 500 index gains 19-points to close at a new 4-year high of 1,417.**

**The NASDAQ Exchange advances by 55-points to close at a new 12-year high of 3,123.**

Chris Widener - "Count our blessings, name them one by one."

**Tuesday, March 27<sup>th</sup> -**

Monday's Fed led triple digit market gains leaves Canaccord's Morning Coffee to report an improved 55 new 52-week trading highs to go along with 19 new 52-week trading lows. A mix of the new highs of interest includes Absolute Software (ABT-T) at \$6.47, Cineplex Inc. (CGX-T) at \$29.88, Dollarama Inc. (DOL-T) at \$47.10, Intertape Polymer Group (ITP-T) at \$4.58, Jean Coutu Group PJC.A-T) at \$14.31, The Keg Royalties Income Fund (KEG.UN-T) at \$14.30, Liquor Stores N.A. (LIQ-T) at \$17.94, Manitoba Telecom Services (MBT-T) at \$35.33, Newalta Corp. (NAL-T) at \$15.45, Quebecor Inc. (QBR.A-T) at \$37.80, PowerShares QQQ (QQC-T) at \$24.18, Rocky Mountain Dealerships (RME-T) at \$12.13, Shoppers Drug Mart (SC-T) at \$44.25, and Wajax Corp. (WJX-T) at \$49.68, while five of the new lows of note were Advantage Oil & Gas (AAV-T) at \$3.33, Cequence Energy (CQE-T) at \$1.20, HBP NYMEX NatGas Bull+ ETF (HNU-T) at \$3.00, Newcrest Mining (NM-T) at \$31.00 and Wireless Matrix (WRX-T) at \$0.58.

Scotia Capital - "What Fed Chairman Bernanke means by 'continued accommodative policies', however, is very much open to interpretation."

BlackRock - "There is still a lot of cash on the sidelines...and then you get Ben Bernanke's comments and that stoked the fire."

Notley's Notes - "what became evident this week is that Canada has worked itself into a short term bottom as most other mature and developed markets approach a short and intermediate term top. Consider adjusting out of short term tops and into short term bottoms."

Centerra Gold (CG-T) shares' plunge by \$3.48 or 21.57% to \$12.65 when the gold miner reduces its 2012 production guidance due to icing conditions at its Kumtor Mine in the Kyrgyz Republic.

The shareholders' of Hana Mining (HMG-V) were please to see their investment rise by \$0.20 or 11.76% to \$1.90 when management announced the cancellation of 2.7-million of employee incentive stock options.

Silvermex Resources (SLX-T) shares' gain \$0.05 or 11.63% to \$0.48 when the mineral explorer reports encouraging gold & silver drill hole assays from its La Guitarra property in Mexico.

**Natural gas gives up another 3-cents to close at a new 10-year low of US\$ 2.29 /mcf.**

Ronald Reagan - "If I don't make a decision, someone else will."

### **Wednesday, March 28<sup>th</sup> -**

Yesterday's negative day in the markets leavers the TSX to report a lesser 40 new 52-week trading highs and 18 new lows. A few of the interesting new highs include Alimentation Couche-Tard (ATD-T) at \$33.75, Canadian Pacific Railway (CP-T) at \$79.29, HOMEQ (HEQ-T) at \$8.10, Mainstreet Equity (MEQ-T) at \$25.39, NewGrowrh Corp. (NEW.A-T) at \$32.50, Redline Communications (RDL-T) at \$1.41 and Stantec Inc. (STN-T) at \$32.64 while six of the new lows of note were Aberdeen Int'l. (AAB-T) at \$0.50, Centerra Gold (CG-T) at \$12.65, Gabriel Resources (GBU-T) at \$4.79, Mirabela Nickel (MNB-T) at \$0.74 and Polar Star Mining (PSR-T) at \$0.25.

Technical analysts Dave Harder & Ron Meisels - "Oil prices have held up well but the price if gold fell since late February. Resource stocks in general have been weak, while technology and financial stocks have been strong. Tech and financial stocks are overbought. It seems money is now starting to move into the oversold resource and material stocks."

CMC Markets - "Overall, it appears that with the end of the month and quarter approaching, markets continue to mark time as traders take stock and position for next week's flurry of economic data followed by the start of earnings season farther into April."

CIBC - "Corporate Canada has never been in a better position to deal with downside risks and fund investments in growth sectors."

The U.S. Commerce Department reports their durable good orders rose in February by a less than expected 2.2%.

The Teranet-National Bank house price Index reports that the average price of Canadian home has gained 6.5% in the past year to January.

Fortuna Silver Mines (FVI-T) shares fall by \$1.13 or 20.93% to \$4.27 when the Peru miner 4<sup>th</sup> quarter financials failed to meet the streets' expectations.

Similarly, the shareholders' of Scorpio Mining (SPM-T) are shocked to see their investment plunge by \$0.40 or 22.35% to \$1.39 when the Mexican gold miner reports that its actual mining grades were less than those projected in its preproduction reports.

Conversely, the shares of Theralase Technologies (TLT-V) jump up by \$0.07 or 20.31% to \$0.39 when the junior company's anti-cancer Photo Dynamic Compound (PDC) technology was successful in treating some colon cancer tumours in mice.

Annie's (BNNY-Q) shares' surge up by \$16.51 or 86.89% to US \$35.51 on the first day of trading for the popular organic snack company.

**Natural gas falls by another \$0.01 to close at a new 10-year low of US \$2.28/mcf.**

Joseph Campbell - "People say that what we're all seeking is the meaning of life...I think that what we're seeking is an experience of being alive"

**Thursday, March 29<sup>th</sup> -**

Wednesday's continued surge of market negativity leaves the TSX with a reduced 18 new 52-week trading highs to go along with an increased 38 new 52-week lows. Five of the new highs of interest include Absolute Software (ABT-T) at \$6.49, Badger Daylighting (BAD-T) at \$26.73, Canadian Helicopters Group (CHL.A-T) at \$29.74, Descartes Systems Group (DSG-T) at \$8.61 and TELUS Corp.(T-T) at \$59.98, while a number of the new lows of note were Allied Gold Mining (ALD-T) at \$1.67, Celtic Exploration (CLT-T) at \$14.59, Detour Gold (DGC-T) at \$22.95, Enerplus Corp. (ERF-T) at \$22.54, Fortuna Silver Mines

(FVI-T) at \$4.27, Goldgroup Mining (GGA-T) at \$0.88, Hard Creek Nickel (HNC-T) at \$0.15, Intrepid Mines (IAU-T) at \$0.77, Kinross Gold (K-T) at \$9.63, NuVista Energy (NVA-T) at \$3.56, Orezone Gold (ORE-T) at \$1.98, San Gold Corp. (SGR-T) at \$1.32 and TransAlta Corp. (TA-T) at \$18.72.

CMC Markets - "Crude oil has been under pressure from both sides of the Atlantic with reports suggesting that the U.S., U.K. and France may release crude oil from emergency stockpiles into the market in a combined effort to knock oil prices back down."

Manulife Financial Corp. - "In Canada, energy and materials are two of the most economically sensitive sectors. Anything that indicates a weakness in the economy, whether consumer or capital goods related, would impact them negatively."

Scotia Capital - "It's been a rough day for Canada as a black cloud hangs over the market with optimism about a recovery starting to fade. Risk currencies have taken a big hit of late as the data has been less than stellar and U.S. Fed Chairman Ben Bernanke threw water on the idea that the U.S. recovery is gaining much ground."

Canaccord's Junior Mining Weekly – "The performance of junior gold equities is somewhat tied to the larger cap producers. When times are good and investors are generating significant profits, capital begins to search out higher returns in the less liquid, higher risk, small cap gold equity space. Therefore, an environment where the larger cap producers are underperforming is very challenging for junior mining equities."

The U.S. Labor Department reports their initial jobless claims fell by 6,000 last week to 359,000 claimants.

The share price of Best Buy (BBY-N) fell by \$1.85 or 6.95% to US \$24.77 when the electronics giant reports a drop in the very important 4<sup>th</sup> quarter and holiday sales period.

Birchcliff Energy (BIR-T) shares' plunge by \$1.81 or 20.52% to \$7.01 when the company announces it is terminating its corporate sale process due to a lack of acceptable offers.

The shares' of Zentatta Ventures (ZEN-T) surge up by \$0.10 or 55.56% to \$0.28 when the junior mineral explorer announces drilling will begin on its Albany Graphite deposit in north-east Ontario.

Canada's Finance Minister releases his annual fiscal budget which among other things raises the age to collect old age security from 65 to 67 by the year 2023 and phases out the 1-cent 'penny' starting this fall. ( Hmmm. How does "**A nickel for your thoughts**" sound?)

Canadian Finance Minister Jim Flaherty – "Canadians are living longer and healthier. Canada has changed. Old Age Security must change with it."

**Natural gas drops by a further \$0.12 to close at a new 10-year low of US \$2.16/mcf.**

Charles E. Nielsen- “The bookends of success are starting and finishing. Decisions help us start. Discipline helps us finish.”

**Friday, March 30<sup>th</sup>, Short Strokes –**

Yesterday’s mixed day of trading leaves the TSX with 17 new 52-week trading lows and an increased 52 new 52-week trading lows. A few of the notable new highs were Boardwalk REIT (BEI.UN-T) at \$57.83, COGECO Inc. (CGO-T) at \$54.46, Neo Material Technologies (NEM-T) at \$11.20, SMTC Corp. (SMX-T) at \$3.78, Tucows (TC-T) at \$1.18 and Uni-Select Inc. (UNS-T) at \$29.70, while some of the new lows include Fairborne Energy (FEL-T) at \$2.18, iShares Nat Gas Commodity Fund (GAS-T) at \$9.82, Kinross Gold (K-T) at \$9.50 Labrador Iron Mines Holdings (LIM-T) at \$4.20, Niko Resources (NKO-T) at \$33.62, Open Range Energy (ONR-T) at \$1.15, Peyto Exploration & Development (PEY-T) at \$16.50, Semafo Inc. (SMF-T) at \$4.81 and Tourmaline Oil (TOU-T) at \$21.64.

Baskin Financial Services Inc. – “Commodities are once again leading us down, even though commodity prices themselves, on an absolute basis, continue to be at very, very profitable levels for companies. The market seems to be telling us that we’re in for a rough time going forward in terms of Europe, China and demand for these commodities.”

The International Energy Agency predicts that oil consuming nations will buy a record US \$20-trillion for oil imports this year.

The Associated Press reports that 13-year old PetroChina Co. Ltd., with crude oil production of 2.4-million barrels a day, has overtaken perennial leader Exxon Mobil Corp. (XOM-N) as the world’s largest publicly traded producer of oil.

The Globe & Mail reports that Canada’ oil & gas sector accounts for about one-quarter of the value of the TSX Index.

The Organization for Economic Co-operation and Development (OECD) projects that Canada and the United States will lead the G7 countries in economic growth for through the first half of 2012.

A National Bureau of Economic Research study finds that about 1/3<sup>rd</sup> of women’s wage gains through the 1990s came a result of...oral contraceptive pills.

Statistics Canada reports that Canadian beer sales have fallen by 7% to 45% of total Canadian liquor sales in the past 12-years, while wine as proportion of total liquor sales has risen by 7% to 30% in the same time period. (Doh!)

The Cuban government reports it plans to build 13 golf courses by 2030 to help enhance the island nation's tourist industry.

A survey by TD Canada Trust finds that 38% of British Columbians have.....now wait for it.....**no savings at all.**

**The price of natural gas eases by another 2-cents to close at a new 10-years low of US \$2.12/mcf.**

Canaccord's Debbie Lewis - "Good Moms let you lick the beaters....Great Moms turn them off first."

**For the Week-**

The DJIA gained 131-points to 13,212, the S&P 500 gained 11-points to 1,408, the TSX lost 74-points to 12,392, the NASDAQ gained 24-points at 3,092 and the JVX gained 10-points to 1,566.

Gold gained \$8.10 to \$1,670.50, Silver gained \$0.10 to \$32.37, Crude Oil lost 3.71 to \$103.16, Natural Gas lost \$0.25 to \$2.12 and Copper gained \$0.02 at \$3.83.

The CRB Commodities Index followed crude oil, natural gas and soft commodities lower to lose 6.01-points to end the week at 308.46.

The Canadian dollar gained 0.07-cents against its American counterpart to close the week at US \$1.0024 and the Euro gained 0.80-cents against the greenback to end the week at US \$1.3345.

**And Finally -**

A new study by American dietitians finds what some of us felt was always true, in that **popcorn is the perfect snack food**, as it contains healthy antioxidants that help to lower cholesterol and help to prevent some cancers. (Just never mind mentioning those extra toppings of butter and salt....)

Interesting Times.....and thanks

**Rod Blake, AScT**  
*Investment Advisor*  
[rod.blake@canaccord.com](mailto:rod.blake@canaccord.com)  
T: 604.643.7567

**Jason Tomkinson, BA (Econ)**  
*Investment Advisor*  
[jason.tomkinson@canaccord.com](mailto:jason.tomkinson@canaccord.com)  
T: 604.661.7845

**Evan Davies**  
*Sales Assistant*  
[evan.davies@canaccord.com](mailto:evan.davies@canaccord.com)  
T: 604.643.7065

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