



The Week of May 5th to May 11th, 2012
“A Brief Look Back Into Tomorrow”

Good Afternoon

Following a week that saw the major North American markets give back their previous week's gains and more as the slow growth of the American economy and continued uncertainty in Europe once again sent investors fleeing to the sidelines, as the American dollar strengthened and commodities weakened, the weekend media reported that -

As the 'will this never end' brokers and traders threw up their hands in surrender at the close of business last Friday, May 4th, they could see that the markets were once again back in the soup as for the 18th week of the year, the Dow Jones Industrial Average lost 1.44%, with the S&P500 Index falling by 2.44% and the NASDAQ Exchange off on the week by 3.68%. North of the border, the TSX Composite Index was down on the week by 2.99% while the TSX Venture Exchange limited its loss on the week to 0.57%.

A few of the 12 new 52-week TSX trading highs established last Friday were AutoCanada Inc. (ACQ-T) at \$13.24, Brookfield Canada Office Properties (BOX.UN-T) at \$27.18, Cineplex Inc. (CGX-T) at \$31.38, EGI Financial (EFH-T) at \$9.30, Gamehost (ITP-T) at \$12.17, Intertape Polymer Group (ITP-T) at \$5.55, K-Bro Linen (KBL-T) at \$24.01, Northwest Healthcare Properties REIT (NWH.UN-T) at \$13.09, while some of the 63 new 52-week trading lows includes Avalon Rare Metals (AVN-T) 2.30, BNK Petroleum (BKX-T) at \$1.11, Canadian Banc (BK-T) at \$8.63, Diamond Fields Int'l. (DFI-T) at \$0.07, Energy Income Fund (ENI.UN-T) at \$4.28, Gabriel Resources (GBU-T) at \$1.65, Ivanhoe Mines (IVN-T) at \$10.32, Nevada Copper (NCU-T) at \$2.93, Otelco (OTT.UN-T) at \$5.19, Petrominerales Ltd. (PMG-T) at \$13.71, Research In Motion (RIM-T) at \$11.63, Shaw Communications (SJR.B-T) at \$19.42, Talisman Energy (TLM-T) at \$11.22 and White Tiger Gold (WTG-T) at \$0.19.

BMO Capital Markets - “Equity markets struggled last week as evidence continued to mount that the U.D. economy has cooled since the turn of the year. After roaring like a lion in 2012, the economic data spent the spring acting more like a lamb, taking some steam out of the equity market rally.”

Robert W. Baird & Co. - “When we entered the 2nd quarter, we thought it would be a consolidation correction quarter for the market simply because it a overbought, over-believed, and we saw economies were not improving, and that is still the case.”

HIS Global Insight - “It now appears that American jobs have decelerated into line with GDP, rather than GDP accelerating to catch up with jobs.”

The share price of Dolby Laboratories (DLB-N) gained \$6.59 or 17.51% to US \$44.22 last Friday on word that software giant Microsoft (MSFT-Q) would use Dolby products in its Windows 8 operating system.

Imperial Metals (III-T) shares' fell by \$0.81 or 5.10% to \$15.06 in spite of the miner announcing it had received a Mines Act Permit for its Red Chris copper/gold mine in northern British Columbia.

Linkedin (LNKD-Q) shares' gained \$7.89 or 7.21% to US \$117.30 when the business networking company beat the street with its 1st quarter financials.

The shares' of Questerre Energy (QEC-T) rose by \$0.12 or 13.045 to \$1.04 last Friday when the petroleum explorer reported positive flow test results for its Montney horizontal oil/gas well in the Kakwa-Resthaven area of west central Alberta.

Prudential Fixed Income - "The bottom line is you don't have evidence that this U.S. economy has reached escape velocity."

Tom Brokaw - "It's easy to make a buck. It's a lot tougher to make a difference."

And then on Monday, May 7th -

The new trading week begins with investors trying to make some sense of France electing a new left leaning, anti-austerity federal government while Greece was unable to form a national government at all.

CMC Capital Markets - "Last weekend may end up being one of the key turning points in the European debt crisis. Incumbents were swept away in France and Greece by a public infuriated with the social costs of austerity."

People must have shaken their monetary worries by going to the movies as Walt Disney's (DIS-N) action hero movie 'The Avengers' established a new weekend Canada/U.S. box office record of US \$200.3-million.

Statistics Canada reports the value of the country's building permits rose by 4.7% in March to \$6.8-billion.

The U.S. Commerce Department reports the level of their consumer credit rose in March, mainly due to increased vehicle sales, by \$12.7-billion to US \$21.4-billion.

Allied Nevada Gold (ANV-T) shares' fall by \$3.26 or 11.45% to \$25.20 when the miner reports lower than expected 1st quarter financials.

The share price of Petmed Express (PETS-Q) plunge by \$2.69 or 19.55% to US \$11.07 when the pet health company reports a greater than expected drop in 4th quarter earnings.

The shares' of Thompson Creek Metals (TCM-T) drop by \$0.94 or 17.06% to \$4.57 on word of possible cost overruns for the miners Mount Milligan gold/copper mine in central British Columbia.

The shareholders' of Vertex Pharmaceuticals (VRTX-Q) skyrocket up by \$20.71 or 55.36% to US \$58.12 when the company reports better than expected patient improvement to its cystic fibrosis treatment, Kalydeco.

Chris Widener - "Winners help others win. That is right, good people, people who pursue winning by excellence. Are also people who stop to help others so that they, too, can enjoy the spoils of victory. Pursue the win, but help others achieve all that they can as well!"

Tuesday, May 8th -

Monday's European election hangover induced mixed day of trading leaves Canaccord's Morning Coffee to report 19 new 52-week trading highs to go along with 86 new 52-week trading lows. Seven of the new highs of interest include ATCO Ltd. (ACO.Y-T) at \$74.50, Canadian Utilities (CU-T) at \$72.00, Dollarama Inc. (DOL-T) at \$56.18, InterRent REIT (IIP.UN-T) at \$4.39, Mainstreet Equity (MEQ-T) at \$25.47, Stella-Jones Inc. (SJ-T) at \$49.97 and Tim Hortons (THI-T) at \$57.90, while a collage of the new lows of note includes Allied Nevada Gold (ANV-T) at \$25.20, Bloom Income & Growth Cdn Fund (BI.UN-T) at \$9.25, Coeur D'Alene Mines (CDM-T) at \$18.69, Dynasty Metals & Mining (DM-T) at \$1.55, Glentel Inc. (GLN-T) at \$12.27, IAMGOLD (IMG-T) at \$11.05, Keegan Resources (KGN-T) at \$2.88, Lone Pine Resources (LPR-T) at \$5.40, MEGA Brands (MB-T) at \$5.70, NovaGold Res. (NG-T) at \$5.47, Orbit Garant Drilling (OGD-T) at \$4.45, Pan American Silver (PAA-T) at \$17.03, Rainy River Res. (RR-T) at \$3.95, Seabridge Gold (SEA-T) at \$15.10, Thompson Creek Metals (TCM-T) at \$4.57 and Western Copper and Gold (WRN-T) at \$1.05.

JP Morgan- "Immediate austerity, in recessionary economics, simply doesn't work - a point apparently better understood by many European voters than those they have elected."

Canaccord's Junior Mining Weekly - "In tough markets like this one, junior mining companies need to be nimble with their budgets for exploration and overhead. Sourcing new funding in this environment can come at an onerous cost. Unfortunately, we believe that many companies continue to budget well beyond the constraints of their balance sheets. This creates an opportunity for favorable merger and acquisitions (M&A) for companies that generate cash flow or that possess robust balance sheets."

Canada Mortgage and Housing Corp. reports the country's housing starts, aided mainly by increased activity in the condominium market, rose by 30,100 in April to a 5-year annualized high of 244,900 units.

Avalon Rare Metals (AVL-T) shares' plunge by \$0.50 or 23.15% to \$1.66 when the company warns of feasibility study delays at its Nechalacho rare earth project in the Northwest Territories.

The shares of Holloway Lodging REIT (HLR.UN-T) rise by \$0.41 or 13.27% to \$3.50 when the company hints that it may in discussion talks with a potential acquisition suitor.

The shareholders' of Jaguar Mining (JAG-T) are dismayed to see their investment tumble by \$0.78 or 35.14% to \$1.44 when the miner announces that major mining changes were required at its Brazilian mining operations.

Fossil (FOSL-Q) shares' fall by \$47.83 or 38.03% to US \$77.94 when the watchmaker slashes its 2012 outlook due to weaker sales in Europe.

Silver falls by \$0.66 to drop below \$30 and close at \$29.46.

The Dow Industrials fall by 76-points to once again drop below 13,000 to end the day at 12,932.

Ludwig von Mises - "Liberals consider profits as objectionable. The very existence of profits is in their eyes a proof that wage rates could be raised without harm to anyone. They speak of profit without dealing with the loss. Profit and loss are the instruments by which the consumers keep a tight rein in all business activities. A profitable enterprise tends to expand; an unprofitable one tends to shrink. The elimination of profit renders production rigid and abolishes the consumers control"

Wednesday, May 9th -

Yesterday's across the board Greece induced market losses leaves the TSX with a reduced 15 new 52-week trading highs and a dramatically higher 138 new 52-week trading lows. Four of the new highs of interest were Canadian Real Estate Investment Fund (REF.UN-T) at \$39.75, Carfinco Financial Group (CFN-T) at \$8.69, First Capital Realty (FCR-T) at \$18.86 and HBP S&P/TSX Global Gold Bear+ ETF (HGD-T) at \$14.11, while some of the many new lows include Alexco Resource (AXR-T) at \$5.51, Barrick Gold Corp. (ABX-T) at \$36.27, Centerra Gold (CG-T) at \$10.29, Detour Gold (DGC-T) at \$21.70, Eldorado Gold (ELD-T) at \$11.69, Fortuna Silver Mines (FVI-T) at \$3.47, George Weston (WN-T) at \$58.77, Int'l. Tower Hill Mines (ITH-T) at \$3.40, Kirkland Lake Gold (KGI-T) at \$11.34, Loblaw Companies (L-T) at \$32.21, Mercator Minerals (ML-T) at \$0.85, Newmont Mining (NMC-T) at \$48.00, Osisko Mining (OSK-T) at \$8.79, Pengrowth Energy (PGF-T) at \$8.28, Queenston Mining (QMI-T) at \$3.24, Royal Nickel (RNX-T) at \$0.38, Silver Wheaton (SLW-T) at \$26.06, Theratechnologies Inc. (TH-T) at \$1.65 and U.S. Silver Corp. (USA-T) at \$1.50.

UBS Securities Canada - "The difficulties with Greece and Spain are undermining the cyclical prospects for recovery, and obviously the mining stocks are most cyclically exposed and, therefore, they are the ones getting hit the hardest."

Baskin Financial Services - "For whatever reason, gold stocks are like the plague, nobody wants

Bank of Nova Scotia - "You get bouts of risk aversion and bouts of worry over the global economic outlook, and we appear to be going through one of those now."

The share price of Africa Oil (AOI-V) gain another \$0.73 or 10.38% to \$7.76 as investors continue to purchase the stock prior to the test results of the company's Ngamia1 oil well in Kenya.

The shareholders' of Avion Gold (AVR-T) are disappointed to see their investment plunge by \$0.23 or 28.05% to \$0.59 when the miner halts the mill expansion of its operation in Mali due to the market uncertainties caused by recent military coup in that African country.

Chiquita Brands (CQB-N) shares' fall by \$2.32 or 28.935 to US \$5.70 when the banana producer disappoints the street with its 1st quarter financials.

The shares' of Soda Stream (SODA-Q) surge up by \$7.71 or 26.41% to US \$36.90 when the carbonated beverage machine company impresses analysts with its 1st quarter financials.

The Canadian dollar falls by 0.37-cents to drop below \$1.00 and end the day at USD 0.9971

Gold bullion falls by \$13.20 to drop below \$1,600 and end the day at US \$1,591.30 an ounce.

The closely watched CBOT Volatility Index or 'VIX' rises by 1.16-points to once again cross above the calming 20 level to end the day at a somewhat nervous level of 20.21.

Jim Rohn - "There are many virtues and values, but here's the greatest, one person caring for another. There is no greater value than love. Better to live in a tent on the beach with someone you love than to live in a mansion by yourself. One person caring for another, that's one of life's greatest expressions."

Thursday, May 10th -

Wednesday's that's it, we're tossing in the towel market losses leaves the TSX to report 22 new 52-week trading highs to go along with 124 new trading lows. A few of the new highs of note were Axia NetMedia (AXX-T) at \$1.44, Calian Technologies (CTY-T) at \$21.43, Dundee REIT (D.UN-T) at \$37.52, Intact Financial (IFC-T) at \$64.97, Morguard North American REIT(MRG.UN-T) at \$11.70 and Westshore Terminal Investment Trust (WTE.UN-T) at \$25.42, while another mix of the many new lows Colossus Minerals (CSI-T) at \$4.00, Dundee Precious Metals (DPM-T) at \$6.31, Entrée Gold (ETG-T) at \$0.91, Frontier Rare Earths (FRO-T) at \$0.75, Golden Predator (GPD-T) at \$0.42, High River Gold (HRG-T) at \$0.99, International Minerals (IMZ-T) at \$4.63, Kinross Gold (K-T) at \$7.15, Macarthur Minerals (MMS-T) at \$0.56, NovaCopper Inc. (NCQ-T) at \$2.75, Orezone Gold (ORE-T) at \$1.36, Perseus Mining (PRU-T) at \$2.17, Rainmaker Entertainment (RNK-T) at \$0.25, SMART Technologies (SMA-T) at \$2.25, Treasury Metals (TML-T) at \$0.68, Volta Resources (VTR-T) at \$0.71, Wesdome Gold Mines (WDO-T) at \$1.23 and Yellow Media (YLO-T) at \$0.05.

Fraser Mackenzie - "The reality is the whole European banking system has all this Greek debt on their books. It's unbelievable the amount of debt that is out there."

Statistics Canada reports the country's New Housing Price Index rose in March by another 0.3% for a yearly increase of 2.6%.

The shares' of Cisco Systems (CSCO-Q) fall by \$1.95 or 10.38% to US \$16.83 when the telecom giant issues a lower guidance for the next quarter.

The shares price of Monster Beverage (MNST-Q) gain \$5.86 or 8.97% to US \$71.17 when the energy drink maker beats the street with its 1st quarter financials.

Poseidon Concepts (PSN-T) shares' rise by \$1.59 or 13.72% to \$13.18 when the tank farm company reports better than expected 1st quarter financials and better still, increases the company's guidance for the rest of 2012.

The shares' of MEMC Electronic (WFR-N) plunge by \$0.80 or 24.62% to US \$2.45 when the solar company reports a larger than expected 1st quarter loss due to weaker demand for its products.

Friday, May 11th, Short Strokes –

Yesterday's bounce back market rally leaves the TSX with an improved 29 new 52-week trading highs and a decreased 33 new 52-week lows. A few of the notable new highs were Allied Property REIT (AP.UN-T) at \$27.90, Brookfield Infrastructure LP (BIP.UN-T) at \$31.87, Canadian Tire Corp. (CTC.A-T) at \$71.55, Enbridge Income Fund Holdings (ENF-T) at \$23.69, Flint Energy Services (FES-T) at \$25.00, High Liner Foods (HLF-T) at \$21.00, Premium Brands (PBH-T) at \$18.31, Tucows Inc. (TC-T) at \$1.56 and ZCL Composites (ZCL-T) at \$4.00, while some of the notable new lows include Africo Resources (ARL-T) at \$0.51, Bucking Horse Energy (BUC-T) at \$1.90, Crew Energy (CR-T) at \$5.46, First Uranium (FIU-T) at \$0.07, Guardian Capital Group (GCG-T) at \$9.51, Lexam VG Gold (LEX-T) at \$0.22, Osisko Mining (OSK-T) at \$7.43, Propel Multi-Strategy Fund (PPF.UN-T) at \$6.92, Shore Gold (SGF-T) at \$0.20, Talon Metals (TLO-T) at \$0.33 and Wi-Lan Inc. (WIN-T) at \$4.76.

Manulife Asset Management – "It's really based on commodities and demand from the emerging markets. They are growing, but at a slower pace and the consensus was an expectation of continued strong markets and that was a bit of a pipe dream."

Statistics Canada reports the economy added a much better than expected 58,200 new jobs in April.

The closely watched University of Michigan Confidence Index rises in May by an unexpected 1.4-points to a better than expected level of 77.8.

Fortune Magazine reports that the combined earnings of the Fortune 500 companies rose by 16% last year to US \$825-billion.

The Canadian Radio-Television and Telecommunications Commission (CRTC) has order the country's television stations lower the volume of their commercials to the same level of the accompanying program.

International Wood Markets reports that Canada has overtaken Russia as China's number one supplier of lumber.

The State of Nevada and Google Inc.(GOOG-Q) have teamed up to create the first licensable driverless car.

While the talking heads may not have any use for Research In Motion (RIM-T), but the U.S. Department of Defense does, as that very important government agency has just ordered more of the company's BlackBerry smartphones.

NAVCANADA reports that aircraft movements at the country's 93 reporting airports fell by 2.7% in 2011 to 5.6-million takeoffs or landings, the 3rd consecutive year of decreasing aircraft activity.

JPMorgan Chase & Co. (JPM-N) shares' tumble by \$3.78 or 9.28% to US \$36.96 when the giant American investment banker admits to self inflicted derivative trading errors that amount to some.....now wait for it.....US \$2-billion.

Canaccord's Debbie Lewis - "I'm taking care of my procrastination issues...Just wait and see."

For the Week-

The DJIA lost 217-points to 12,821, the S&P 500 lost 16-points to 1,353, the TSX lost 176-points to 11,695, the NASDAQ lost 22-points at 2,934 and the JVX lost 59-points to 1,346.

Gold down \$64.50 to \$1,579.90, Silver lost \$1.54 to \$28.85, Crude Oil down \$2.34 to \$96.19, Natural Gas gained \$0.21 to \$2.59 and Copper lost \$0.09 at \$3.63.

The CRB Commodities Index followed precious metals, base metals, crude oil and soft commodities lower to lose 5.35-points to end the week at 291.80.

The Canadian dollar lost 0.55-cents against its American counterpart to close the week at US \$0.9991 and the Euro lost 1.73-cents against the greenback to end the week at US \$1.2918.

And Finally -

The U.S. Federal Transit Administration has issued a directive to have the suspensions and braking systems of the America's buses tested in regard to the impact their increasingly supersized riders will have on them, while the nation's hospitals and government buildings are

converting wall mounted toilets to floor mounted models to better support the increased weight of their users, and Duke University calculates the obese men and women take on average 5.9 and 9.4 extra sick days respectively a year than their slimmer co-workers.

And Finally, Finally - The Week will be taking next week off as some of us will be traveling ahead of the Canadian Victoria Day long weekend. If all goes well, we will be publishing this piece again on Friday, May 25th.

Interesting Times.....and thanks.

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