



MAC IC

MAC INVESTMENT CLUB

MARKET AND PORTFOLIO UPDATE

For the week of
October 23th, 2011

www.macic.ca

MAC INVESTMENT CLUB

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MACIC MarketWatch Portfolio Winners/ Losers¹

	Closing Price	Change
PG	5.17	(2.63%)
BBD.B	3.99	(1.48%)

Holdings	Previous	Today
Equity	-	10.8%
Cash	100%	89.2%

Economic Indicators

	Est.	Actual
Inflation(y/y)	3.1%	3.2%

Current News and Events

	Impact
Indian Festival of Diwali	+
European Summit	+/-

World Indices²

	Closing Price ³	Change
TSX	11949	(1.09%)
TSX Venture	1532	(1.59%)
DJIA	11809	1.41%
S&P 500	1238	1.12%

Upcoming Events

Equities Seminar	October 25 th
Trader in Residence	October 25 th
Macic Meeting	October 26 th
Academic Awareness Conference (ACC)	October 27 th

Welcome

The club is underway and in the markets, adding Premier Gold and Bombardier to our portfolio. This week coming up may set a record for number of pitches in a single night with almost every sector preparing to pitch on Wednesday. Prior to the pitches this week there will be an equities training seminar in the GTF for all members on Tuesday night at 7:00pm. The seminar will cover efficient market hypothesis and whether there is an opportunity for the small investor to make money. The Academic Awareness Conference is being held this coming Thursday for anyone interested in learning more about what DeGroot has to offer and the various professional designations in business.

The club had our second speaker of the year, Marius Alexe. Marius is the CEO of Phincorp Global Asset Management and spoke about behavioural finance and the inefficiency of traditional approaches to markets and their behaviour. Marius will be coming back for another speech as a continuation of his first. Anyone interested in emailing Marius questions or borrowing the Elliot Wave Theory book that he so kindly donated, please email info@macic.ca .

Key News Stories

Bank and Tech Sectors Report

It was a busy week in earnings with the season in full swing. On the Bank side, **Wells Fargo, Goldman and Bank of America reported.** Wells Fargo missed estimates by 1 cent on EPS while revenue came in at \$19.6 billion while analysts were expecting \$20 billion for the quarter. Goldman Sachs reported terrible numbers that saw revenue decline by 60% on a year over year basis. Revenue missed estimates by nearly \$1 billion. Bank of America has slightly better fortunes thanks in large part to its significant asset sales that took place over the quarter including the China Construction Bank. BoA beat estimates by \$0.34 cents on revenue of \$28.54 billion. On the tech side, IBM reported on Monday with EPS for Q3 of \$3.28 on revenue of \$26.2 billion, slightly below analysts expectations of \$26.25 billion. For the first time in seven years, Apple missed expectations on earnings due to slower iPhone and iPad sales. It should be noted that Apple profit grew 54% and revenue 39% year over year.

Rioting across Greece

With tensions mounting and the EU in near crisis stage, society in Greece seems to be deteriorating with days of rioting. The Government of Greece passed a key austerity vote this week while one rioter died in the clashes with police.

Google to Finance Yahoo Purchase?

With talks heating up of a potential Yahoo sale to two private equity firms, there are rumours that Google may enter the process and help finance the acquisition in order to quell regulatory fears of market monopolization and unfair practices undertaken by Google.

Our Portfolio

PG and BBD.D have entered in the red alongside the markets over the last week. Gold prices closed the week at \$1640/oz, down 2.25% for the week. The volatility seen in the markets may provide an opportunity to average down the clubs position in BBD.B if the stock continues to bounce off of the \$3.90 support.

Pitches this week

Toronto-Dominion Bank (TD:TSE): The Bank's operations and activities are organized around four business segments: Canadian Personal and Commercial Banking; Wealth Management, including TD Ameritrade; U.S. Personal and Commercial Banking, operating under the brand name, TD Bank.

Altria Group Inc. (MO:NYSE): A holding company controlling subsidiaries involved the production of cigarettes, smokeless products, cigars, wine and financial services.

Suncor (SU:TSE): An integrated energy company. It explores for, acquires, develops, produces and markets crude oil and natural gas in Canada and internationally, and it transports and refines crude oil and market petroleum and petrochemical products primarily in Canada. It is focused on developing petroleum resource basins, which includes Canada's Athabasca oil sands. Suncor operates in business units, which include Oil Sands, Natural Gas, International and Offshore, and Refining and Marketing.

TransCanada Corporation (TRP:TSE): A North American energy infrastructure company focused on natural gas pipelines, oil pipelines and energy. TransCanada is engaged in development and operation of North American energy infrastructure, including natural gas and regulated gas storage facilities. The Company's Keystone is a crude oil pipeline system.

Silver Corp Metals(SVM:TSE): is engaged in the acquisition, exploration, development and mining of high-grade silver-related mineral properties in China and Canada. Silvercorp is the primary silver producer in China through the operation of the four silver-lead-zinc mines at the Ying Mining Camp in the Henan Province of China.

**For complete research reports on all pitches see our website: www.macic.ca

Looking Forward

CME trading Simulation

The trading simulation is hosted by the University of Guelph. The purpose of the event is to provide students with the opportunity to compete in a daylong trading simulation, gain valuable experience, and network with industry professionals. The overall goal is to provide a venue where industry professionals and students can come together in a mutually beneficial atmosphere. The competition is made up of teams from different Universities and our club will be sending a team so if you are interested in participating please email info@macic.ca. The event is November 12th and registration is due before November 1st.

<http://www.cmetradingsimulation.ca/>

John Molson Stock Exchange

This event will be the second installment of this trading simulation at the new state of the art John Molson (MB) building taking place on November 12th. Participants will be able to compete in groups of four against other students from universities across Canada for monetary prizes. Each student competes in an open-outcry market, entertaining and soliciting bids and offers, in pursuit of maximizing the value of his or her fictitious futures portfolio. Using custom designed software created by our team of student software programmers under the supervision of professors; we aim to provide students the most realistic experience of what it is like to be a pit trader in an open outcry market.

This prominent event is an occasion for students to hold the world of Finance in their hands. The best and brightest will compete and represent their individual universities, for a chance to claim the top prize. This event is also a great

opportunity for students to network and meet with industry executives.

Prizes given are as follows:

Team #1: 1,500\$	Individual #1: 750\$
Team #2: 1,000\$	Individual #2: 500\$
Team #3: 500\$	Individual #3: 250\$

To participate students may visit our website at <http://fisaonline.ca/jmse-page> where they can register for the competition, receive further information through our participants package, and arrange for the 50\$ payment.

All the materials needed for the daylong event will be provided, as well as coffee, snacks, lunch and dinner.

**Remember the Degroote Commerce Society will reimburse students a certain percentage of the fees associated with attending events. For more information check out the DCS's website.