

Market and Portfolio Update

For the Week of

January

22nd

2012



By: Nathan Manicom

VP Administration

Macic 2011/2012



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www.macic.ca

MAC INVESTMENT CLUB

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MACIC MarketWatch

Portfolio Winners/ Losers¹

	<i>Closing Price</i>	<i>Change</i>
IAE	\$2.48	16.43%
PG	\$4.98	(2.35%)

Holdings	Previous	Today
Equity	71.7%	39.4%
Cash	28.3%	60.6%

Economic Indicators

	<i>Est.</i>	<i>Actual</i>
Dec. Inflation (CA)		2.7%
Chinese GDP (Year)		9.2%

Current News and Events

	<i>Impact</i>
Lending Rate	+
Italian Bond Yields	+
Keystone	-

World Indices²

	<i>Closing Price</i>	<i>Change</i>
TSX	12397	1.36%
TSX Venture	1571	2.3%
DJIA	12720	3%
S&P 500	1315	3%

Upcoming Events

Trader in Residence	Jan. 24 th
Pitches	Jan. 25 th
Victor's Seminar	Jan. 25 th

Welcome

Over the last two weeks the club has enjoyed surpassing the 8% return mark on our portfolio and the pleasure of attending the first annual Capital Markets Conference which was a great success. A congratulations also goes out to Jonathon Stypa, a member of the macic executive team, who placed first in the National Investment Banking Competition in Vancouver.

This week Victor, the senior trader, will be giving a seminar and discussing current events and news around the world. The metals and mining sector, along with Industrials will both be pitching this week so be sure to come out on Wednesday.

Last week the club voted in favour of positioning \$15,000 in low volatile, high volume, income earning etf's. Buy orders have been placed on HEX and HEJ and will be discussed during our next meeting. Wal-Mart has been added to our watch list and has a buy order at \$57.

Key News Stories

European Bonds not so bad

Spain managed to raise €10 billion with three-,four- and five-year issues at yields less than 4 percent, while Italy sold 1-year bonds at 2.725 percent, down sharply from yields of 5.95 percent in December. This is a good sign for both countries whose debt has been hovering around the fatal 7 percent rate that is unsustainable.

Lending Rate

The Bank of Canada left its benchmark lending rate at 1%. The bank is maintaining its rate due to increased uncertainty within the global economy and expects a more modest Canadian growth rate looking forward

Keystone Politics

The Keystone Pipeline has been rejected by the United States although it has been encouraged to reapply. The rejection is not a judgement of the merits of the pipeline, but the arbitrary nature of the congressional deadline. It is expected that the pipeline will be approved in Q1 of 2013...conveniently after the federal election.

American Election

With the American election coming up, politicians such as Obama will be working as hard as they can to reinforce the idea of a recovering US economy. If the now current president can help increase growth and recovery, the economy may improve. This improvement would lead to growth in terms of stock valuations which would bode well with voters. Obama will be discussing his efforts towards the economic recovery on Tuesday during his State of the Union address.

Pitches this week

WestJet Airlines Limited (TSE:WJA): Airline company which offers scheduled service throughout its 71-city North American and Caribbean network

Rio Alto Mining Limited (TSE:RIO): is engaged in the acquisition and exploration of mineral properties in Mexico. The Company is also engaged in the development of the La Arena gold oxide/copper-gold project (La Arena Project) in north Peru. The Company has three wholly owned subsidiaries: La Arena S.A., Rio Alto S.A.C. and Mexican Silver Mines (Guernsey) Limited (MSM). The La Arena project consists of 44 mining concessions totalling approximately 20,673 hectares located in Peru. As of May 31, 2011, the La Arena Gold Mine entered into the pre-production phase. As of August 22, 2011, the mine produced 9,648 ounces of gold and 8,182 ounces of gold were sold. On February 9, 2011, the Company acquired 100% interest in La Arena S.A. and its La Arena project

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

Looking Forward

Don't forget to vote on Wednesday night or Thursday morning!

**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.