

# Market and Portfolio Update

For the Week of

January

8<sup>th</sup>

2012



By: Nathan Manicom

VP Administration

Macic 2011/2012



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January 8<sup>th</sup>, 2011  
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[www.macic.ca](http://www.macic.ca)

MAC INVESTMENT CLUB

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## MACIC MarketWatch

### Portfolio Winners/ Losers<sup>1</sup>

	Closing Price	Change
BBD.B	\$4.16	11.53%
PG	\$4.98	(10.53%)

Holdings	Previous	Today
Equity	-	71.7%
Cash	-	28.3%

### Economic Indicators

	Est.	Actual
US Unemployment		8.5%
CA Unemployment		7.5%
US Consumer Conf.	59	64.5
CA Consumer Conf.		69.9

### Current News and Events

	Impact
Canadian Confidence	-
American Confidence	+

### World Indices<sup>2</sup>

	Closing Price	Change
TSX	12189	2.20%
TSX Venture	1525	3.81%
DJIA	12360	0.54%
S&P 500	1277	1.00%

### Upcoming Events

Capital Markets Conference

January 14<sup>th</sup>

Trader in Residence

January 24<sup>th</sup>

## Welcome

Happy New Year and welcome back! 2012 will hopefully bring about better markets than the ones experienced in 2011. Although headwinds remain with Europe debt, slowing BRIC economy growth and the growing nuclear threats of Iran. If you would like to learn about these events, we will be holding a discussion on Wednesday, January 11<sup>th</sup> about the year ahead and the impact all these events will have on the economy.

Kathryn Deveau and her team have been working hard on McMaster's first finance conference to be held in the RJC in early January. Members are encouraged to attend or compete and for more information look to the looking forward section.

## Key News Stories

### A Low for Canadians Confidence

Canadian consumer confidence is at a two and a half year low at 69.9. The index dropped 6.5 points since November. According to an annual tracking poll released Thursday, 70% of Canadians feel we are in a recession. While we may not technically be in a recession, two quarters of negative growth, many Canadians remain uneasy and uncertain for the months to come.

### A High for American Confidence

Consumer confidence has surged to the highest level since April and is approaching a post-recession peak. The index climbed almost 10 points to 64.5 and is on its way to closing in on the peak of 72 realised in February earlier this year. The unemployment rate also fell to 8.5% which was helped by the seasonal jobs created around the holidays.

## Our Portfolio

### General Analysis

Markets have rallied in the new year and have helped lift our portfolio to new highs. Our portfolio has begun to take profit with the sales of Orbite Aluminae, TransCanada and Apple. The club was also able to pick up Suncor for a bargain at \$28.00 and has since seen appreciation of 12% in only a few short weeks. The portfolio is up 3.5% and is still over 70% in equities. As a reminder, all positions will be closed before April.

**Citigroup** (NYSE:C): Efforts to sell consumer-lending unit OneMain Financial have apparently ended without a deal in place. The failure reflects volatile credit markets and investor wariness about loan securitization.

**Ithaca Energy** (TSE:IAE): The companies FPSO is set to depart early this quarter. Conflict surrounding the Strait of Hormuz increases the risk for the FPSO as it must travel through the seaway to get to its destination in the North Sea

**Bombardier** (TSE:BBD.B): Sold 2 large contracts recently, the first for 5 Challenger 850 jets worth \$156 million (USD) and the second for 130 new rail carriages worth \$295 million (USD). The company will be marketing at the Dubai and Bahrain airshows this month.

**Potash Corporation** (TSE:POT): Announced temporary shutdowns at two other mines in Canada last month, plans a four-week shutdown at its Allan operation in Saskatchewan starting Feb. 4 due to slower than usual seasonal demand

**Premier Gold** (TSE:PG): Announced the formation of a wholly owned royalty subsidiary to be named Premier Royalty Corporation. The new subsidiary is being established to hold a number of royalties owned by Premier.

**MAC Investment Club 2011.2012 : Open Positions**

Security Statistics				BUY				Unrealized Gains or Losses				Percentage of Portfolio
Security Name	Ticker	Exchange	Currency	Shares	Buy Price	Fees	Total Cost	Current Price	Current Value	Gain/Loss	% Change	
Cash			CAD				\$CAD 56,575.00		\$CAD 16,571.81			28.29%
Bombardier Inc.	BBD.B	TSX	CAD	500	\$CAD 4.05	\$CAD 9.95	\$CAD 2,034.45	\$CAD 4.16	\$CAD 2,070.05	\$CAD 35.60	1.75%	3.53%
Premier Gold Mines Limited	PG.TO	TSX	CAD	800	\$CAD 5.21	\$CAD 9.95	\$CAD 4,177.95	\$CAD 4.98	\$CAD 3,974.05	-\$CAD 203.90	-4.88%	6.78%
Toronto-Dominion Bank	TD.TO	TSX	CAD	100	\$CAD 76.19	\$CAD 9.95	\$CAD 7,628.95	\$CAD 76.47	\$CAD 7,637.05	\$CAD 8.10	0.11%	13.04%
Ithaca Energy Inc.	IAE.TO	TSX	CAD	1,700	\$CAD 2.17	\$CAD 19.90	\$CAD 3,707.90	\$CAD 2.15	\$CAD 3,645.05	-\$CAD 62.85	-1.69%	6.22%
Citigroup Inc.	C	NYSE	CAD	200	\$CAD 27.39	\$CAD 19.90	\$CAD 5,536.05	\$CAD 29.31	\$CAD 5,851.94	\$CAD 315.89	5.71%	9.99%
Potash Corp. of Saskatchewan, Inc.	POT.TO	TSX	CAD	125	\$CAD 43.41	\$CAD 19.90	\$CAD 5,446.15	\$CAD 42.94	\$CAD 5,357.55	-\$CAD 88.60	-1.63%	9.15%
Agrium Inc.	AGU.TO	TSX	CAD	100	\$CAD 70.38	\$CAD 19.90	\$CAD 7,057.40	\$CAD 71.80	\$CAD 7,170.05	\$CAD 112.65	1.60%	12.24%
Suncor Inc.	SU.TO	TSX	CAD	200	\$CAD 28.00	\$CAD 9.95	\$CAD 5,609.95	\$CAD 31.55	\$CAD 6,300.05	\$CAD 690.10	12.30%	10.76%
Initial Portfolio Value		Current Portfolio Value		\$ Portfolio Change		% Portfolio Change		Full Share Value		Half Share Value		
CAS 56,575.00		CAS 58,577.59		\$CAD 2,002.59		3.54%		\$CAD 258.85		\$CAD 129.42		

Note\*\* Portfolio is as of January 6<sup>th</sup> close

**MAC Investment Club 2011.2012 : Closed Positions**

Security Statistics				SELLING STATISTICS					Performance		
Security Name	Ticker	Exchange	Currency	Shares	Price	Brokerage Fees	Total Proceeds	Date of Sale	Gain/Loss	Dividends	%
Silvercorp Metals Inc.	SVM.TO	TSX	CAD	500	CAS 7.50	CAS 9.95	CAS 3,740.05	21 November 2011	-\$CAS 1,159.90	CAS 0.00	-23.67%
Orbite Aluminae	ORT.TO	TSX	CAD	1,000	CAS 3.81	CAS 9.95	CAS 3,800.05	30 November 2011	CAS 1,080.10	CAS 0.00	39.71%
TransCanada Corporation	TRP.TO	TSX	CAD	100	CAS 44.14	CAS 9.95	CAS 4,404.15	3 January 2012	CAS 386.20	CAS 42.00	9.51%
Apple Inc.	AAPL	NASDAQ	CAD	20	CAS 430.96	CAS 9.95	CAS 8,609.26	6 January 2012	CAS 889.20	CAS 0.00	11.52%

## Pitches this week

An individual investor will be pitching BHP Billiton on Wednesday, January 11<sup>th</sup>, 2012 at 5:30pm in the Gould Trading Floor. \*\*For complete research reports on all pitches see our website: [www.macic.ca](http://www.macic.ca)

## Looking Forward

### McMaster Capital Markets Conference 2012

The conference will take place on Saturday, January 14<sup>th</sup> where a particular focus will be put on current issues that are taking place in the capital markets. The day will include a series of speakers, seminars, workshops and discussion panels. The day will conclude with a Cocktail Mixer where students will have the opportunity to network with colleagues, faculty and professionals in the field. Visit <http://www.maccmc.com/> for more details

**Conference:** Saturday January 14th (\$45 for MACIC members)

\*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.