

BNN Morning Note

eResearch Corporation is pleased to provide the BNN Morning Newsletter, hosted by Frances Horodelski. Every morning Business Day, Frances Horodelski writes a "chase note" to BNN's editorial staff listing the stories and events that will be in the spotlight that day. Her article is presented below.

Happy Days All Around

The Chase: by Frances Horodelski

Downton Abbey (which will see its sixth season next January) and Bruno Mars come together in a video making the rounds called Downton Funk. If you are a fan of either – Google for some morning fun.

Today, we will focus on the news of the day:

- BlackBerry with a new mid-priced phone, [The Leap](#) (\$275) and increasing investment in encryption;
- Earnings with names such as [Bank of Nova Scotia](#) (\$1.36 versus an estimate of \$1.38 although revenue came in better and the company's dividend was hiked), Transforce, Kate Spade, [Best Buy](#) (beat with a special \$0.51 dividend although revenue missed), Dicks Sporting Goods, and Navistar;
- [Canada's Q4 GDP](#) (estimated at 2%) annualized as well as raw materials price index (estimated at -6.3% in January);
- Producer prices continue to weaken in the Eurozone – down 0.9% in January versus -0.7% estimate;
- Citi selling Onemain Financial for \$4.25 billion (bulls are rising on this name);
- February auto sales (estimated at 16.7M SAAR);
- Silver Wheaton \$800 million (!) equity raise to purchase 25% of life-of-mine gold production of Vale's Salobo mine; and
- Tomorrow there is the big "showdown" on Obamacare in the Supreme Court with arguments relating to whether Obamacare is an illegal subsidy.

On BNN, we have an interview with Hunter Harrison on all things trains, a special on pension funds (the costs and risks as well as how much do you need to retire?), as well as an on-going review of the new highs in equity markets.

Where were you in March of 2000? Did you see the top then? Do you see it now? Good questions. Valuations are different (and remember the Nasdaq index is completely different) although some have recently noted that the most egregious valuations can be found in the private companies i.e. the Snapchats of the world.

We are also approaching the sixth anniversary of this bull market (versus the March 9, 2009 lows). 72 months is not the longest bull in history, nor is it the shortest (depending upon the starting date used, it is the third longest).

We have lots on cars from the Geneva Auto Show and continuing coverage from PDAC including an interview with the Colombian mining delegation.

Markets are marginally to the red this morning while oil and gold are just a bit higher as is the U.S. dollar, while bonds are being sold modestly everywhere with the exception of Greece where yields have fallen 13 basis points today.

In the USA, traders are watching a big corporate bond deal with orders that have reached \$90 billion of a 10-tranche deal from Actavis as it looks to pay for Allergan – NINETY BILLION for a \$22 billion corporate bond deal. Yikes – a lot of money chasing fewer and fewer opportunities. This ends badly – but as Buzz Lightyear said “not today”.

On a good note, the misery index (which is the combination of inflation and unemployment) is the lowest in the USA since the Eisenhower years (1959) – happy days all around.

About BNN

Overview

BNN – Business News Network (BNN) is Canada’s only all business and financial news-channel. The Network was licensed by the Canadian Radio-Television Telecommunications Commission in 1996 and began broadcasting in 1999. BNN’s studios are located in downtown Toronto. BNN features live interviews with CEOs, as well as financial and market professionals across North America and around the world.

Programming

The centre-piece of the Network's programming is its comprehensive real time coverage of global market activity from a Canadian perspective. BNN – Business News Network provides constant on screen ticker information from all major Canadian, U.S., and international stock markets. The Network also specializes in company profiles, economic forecasting and analysis, segments on personal finance, and interactive features that involve viewers.

BNN – Business News Network regularly covers important corporate announcements as they happen including news conferences, annual meetings, and key trade shows. The Network employs the strongest Canadian team of business anchors, reporters and analysts. Many of the Network's on-air personalities had successful careers in business, financial planning and economics prior to entering television.

Ownership

BNN – Business News Network is owned by the CTV Television Network, part of the Bell Media family of companies. BNN – Business News Network is able to sell customized multi-media packages to advertisers involving the full range of television networks and websites owned by Bell Media Inc.

Distribution

BNN - Business News Network is received by over 5.5 million Canadian households through cable, direct-to-home satellite, and wireless services.

Demographics

BNN – Business News Network is viewed primarily by retail investors, financial professionals, and managers, owners, and executives.

Key viewership groups include:

- Professionals and executives in the banking, investment and insurance sectors;
- Active, high net worth investors; and
- Self-employed entrepreneurs interested in staying in touch with the business world.

The Network's male/female split is 60-40 and over 85 percent of viewers have some university education. More than 50 percent of BNN – Business News Network's viewers have annual household incomes of \$75,000 or greater.

BNN – Business News Network is unique in that close to half of its viewing audience watches the Network while working in an out-of-home environment, a viewing base not measured by traditional in-home meters.

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Bob Weir, CFA: Director of Research

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