



5 Can't Miss Investing Stories This Week

Description

From write-downs at **Barrick Gold** (TSX:ABX, NYSE:ABX) to currency devaluations in Argentina, it was a rocky week for investors. But for you non stock junkies out there, here's a quick roundup of the top five investing headlines in case you missed them.

1) The Loonie flies south

The Canadian dollar's plight continued this week with the Loonie hitting a five year low of 89.5 cents U.S. The plunge follows the Bank of Canada's rate announcement on Wednesday. Governor Stephen Poloz message to investors: stubbornly low inflation means there will likely be no interest rate hikes any time soon.

Given the obsession with disinflation in the Banks' commentary, some observers have even suggested that Mr. Poloz may be leaning toward cutting the overnight benchmark rate from its current 1% level. This is clearly worrisome for savers, cross-border shoppers, and travelers.

However, the dollar's plight is not all bad news. The volatile currency swings have created opportunities for savvy investors. As *Stock Advisor Canada* analyst Karen Thomas [pointed out](#) earlier this week, companies that earn a large part of their revenues outside of Canada are poised to profit handsomely.

2) Bombardier enters nosedive

After announcing the delay of its flagship C Series aircraft last week, **Bombardier** ([TSX:BBD.B](#)) announced that [it would lay off 1,700 employees on Wednesday](#). The company is hoping to save between \$85 million and \$170 million annually in wages and salaries offsetting production delays.

Roughly 600 people at the company's Learjet plant in Wichita, Kansas, will be let go. However, most of the job losses will be in Canada, with Montreal being hit the hardest with the majority of the coming layoffs.

Investors are worried that layoffs single more troubles in the company's future. Following the flood of bad announcements this week, Bombardier have shed more than 12% of their market value.

3) Bumpy week for BlackBerry

This week shares of BlackBerry resembled the Leviathan rollercoaster at Canada's Wonderland.

First, the stock soared on a report that the Pentagon had placed an order for 80,000 handsets. However, it turned out that the 80,00 phones mentioned in the January 16 press release — that it seems everyone in the media had misread — was referencing already existing devices. BlackBerry shares subsequently plunged after this mistake was discovered.

Then on Wednesday, BlackBerry shares popped again after the company announced the sale of most of its Canadian real estate holdings valued by analysts at \$500 million. The move will free up much needed capital and buys new Chief Executive John Chen more time to implement his turnaround strategy.

Regardless of how all of this news shakes out, this volatility has shareholders reaching for a barf bag.

4) Emerging markets rattle equities

Global equity markets were rattled Friday over growing financial instability in emerging markets.

Weak data out of China hinted that the world's second largest economy is slowing down. On Thursday, HSBC reported that the country's manufacturing activity contracted during the month of January recording its worst performance since last summer. This was followed by fears of looming defaults in China's high-yield debt market raising questions about the country's banking system.

China concerns rattled investors' faith in emerging markets. On Friday, the Turkish lira fell to a record low against the U.S. dollar after efforts by the country's central bank failed to stabilize the currency. Meanwhile Argentina's peso has plunged more 15% against the dollar amid concerns over the country's foreign exchange reserves.

Investors have completely lost all confidence in developing countries. Nations that were once the engines of global economic growth are now a threat to financial stability. In many ways, this resembles the old order.

5) Massive write-offs at Barrick

Finally, it appears Barrick is responding to the new realities of the precious metals market.

On Thursday, the country's largest gold miner warned that it plans to cut gold reserves, take another impairment charge on its troubled Pascua Lama mine, and produce less metal this year. Barrick also announced that it's selling its interests in two Western Australian mines for AU\$75 million in cash as part of its 'portfolio optimization program'.

Barrick's announcement shows that miners are still struggling to adapt to lower gold prices. We can expect to hear similar warnings from industry peers in the upcoming weeks.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:ABX (Barrick Mining)
2. TSX:BBD.B (Bombardier)

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