



S&P/TSX Quiet Ahead of the All Important Jobs Reports

Description

Thank god it's Friday! After all of the volatility these past few days, I think most investors are happy to see the weekend arrive. Unfortunately, we have one more trading session to get through. Here are the top three things you need to know before the opening bell.

1) All eyes are on the jobs report

The U.S. government is set to release its monthly jobs report at 8:30 a.m. ET. The question on everyone's mind: will terrible weather this past month result in another ghastly number like December or will hiring snap back in a big way as companies make up for lost time?

According to economists surveyed by *Reuters*, non-farm payrolls are expected to have increased by 185,000 last month. In Canada, the street is looking for about 20,000 jobs added during the month of January and the unemployment rate is expected to fall to 7.1% from 7.2% last month.

Markets are quiet ahead of these all-important job reports. As of 8:00 a.m. EST, futures for the **S&P/TSX Composite Index** (^OSPTX) were trading roughly flat before the opening bell. In United States equities were faring slightly better. Futures for the large-cap **Dow Jones Industrial Average** were trading up 31 points, or 0.20%.

2) More earnings reports to digest

We're midway through earnings season. That means investors still have to wade through dozens of corporate reports everyday.

On Thursday, **Fortis** ([TSX:FTS](#)) reported a fourth quarter profit of \$100 million or \$0.47 per diluted share, up from \$87 million or \$0.45 per share during the same period last year. Revenue increased to \$1.23 billion in the quarter, up from \$999 million a year earlier. The country's largest utility companies also took the opportunity to raise its dividend, hiking the payout a penny to \$0.32 starting March 1.

Cameco (TSX: CCO, NYSE: CCJ) will release its third quarter earnings on Friday, and the market isn't confident that the uranium company can deliver on its profit or sales growth promises. Analysts have had negative views on the firm's earnings in recent months cutting their full-year 2014 projections by \$0.15 per share.

Cameco's third-quarter earnings report will show just how much progress the company has made over the past year to boost profitability through cost cutting. Yet the real question that Cameco faces is whether nuclear power demand will grow following the Japan's Fukushima disaster. That question won't be answered in this earnings report.

3) Baytex bets big on Texas shale

Grab your stetson.

Baytex Energy (TSX:BTE, NYSE:BTE) launched a \$1.8-billion bid for Aurora Oil & Gas to bulk up its position in a Texas Eagle Ford shale. It has agreed to pay AU\$4.10 per Aurora share, a 50% premium to the stock's closing price on Thursday.

The Eagle Ford has been one of the hottest shale fields in the United States. The play gives Baytex exposure exposure to light oil, provides a quick shot of growth, and easy access to the Gulf Coast refineries. What makes the Eagle Ford so attractive is that much of the region's production is priced off the Louisiana Light Sweet blend, which currently trades at a premium to U.S. West Texas intermediate.

The Baytex deal is also a vote of confidence for the entire sector. Merger and acquisition activity slowed significantly last year in the Canadian energy industry on rising development and operating costs worries as well as a shortage of transportation capacity. But today's Baytex transaction shows that the oil patch may be back in favour.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:BTE (Baytex Energy Corp.)
2. TSX:CCO (Cameco Corporation)
3. TSX:FTS (Fortis Inc.)

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