



3 Things to Watch For Before the Opening Bell Today

Description

Canada is dominating the podium at this year's winter Olympics! But if you want to take today off to watch the Ladies' halfpipe or the men's 1000 metre speed skating event, then I have some bad news. There will be no break for investors today, as it will feature a deluge of corporate earning reports for the market to digest. Here are the three most important to watch.

1) Get ready for some ugly reports out of the gold mining industry

The mining industry must be thankful for the Olympics –it seems to be the only group buying any precious metals right now. Several gold mining giants are due to report quarterly results. And with gold and silver prices in the dumps, investors are preparing for another round of big write-downs.

Kinross Gold ([TSX:K](#)) ([NYSE:KGC](#)) is due up first. Falling metal prices has wreaked havoc on the company's financials. According to a survey of analysts by Thomson Financial Network, the company is expected to report an earnings per share figure of \$0.03, down 88% year-over-year.

However, the picture is likely to be far worse from rival operators who report earnings on Thursday. Thanks to lower gold prices, **Goldcorp** (TSX:G) (NYSE:GG) lowered the reserve base by four million ounces and cut six years off the life of its flagship Penasquito mine in January. **Barrick Gold** ([TSX:ABX](#)) (NYSE:ABX) has already warned it will re-calculate reserves at US\$1,100 which will likely result in more write-offs, lower reserves, and shorter mine lives. So gold investors, brace yourself for an ugly week.

2) Canada's telecom group is also due to report

Set your alarm clock because **Rogers Communications** (TSX:RCI.A) ([NYSE:RCI](#)) will be hosting its fourth quarter conference call at 8:00 a.m. EST. The street is looking for an adjusted earnings per share of \$0.72, slightly lower than the \$0.80 the company posted during the same reporting period a year ago.

Investors should be expecting big contributions from Rogers' wireless and cable segments with media acting as a slight drag on results. And of course, with new Chief Executive Guy Lawrence taking the helm, we can probably expect a kitchen sink quarter with a fresh round of write-offs.

The report will also serve as a good preview for **Telus'** ([TSX:T](#)) ([NYSE:TU](#)) upcoming report which is due out on Thursday. Unlike Rogers', the street is a bit more optimistic for Telus with both big cash flow growth and dividends hikes expected.

3) How much will the falling Loonie bite into Air Canada's results

Finally, **Air Canada** (TSX:AC.B) is set to report earnings before the opening bell. The street is expecting the company to post an EPS figure of \$0.12, versus a loss of \$0.02 during the same reporting period last year.

Investors should be optimistic after rival **WestJet Airlines** (TSX:WJA) delivered fourth quarter results last week. Thanks to strong traffic the carrier posted record earnings for the airline, which reported a full-year net income of \$268.7-million, up 11% from the same reporting period last year. And management provided bullish guidance for full-year 2014.

However, investors will be focused primarily on the impact of a falling Canadian dollar on Air Canada's financial results. In the past year, the Loonie has lost almost 10% of its value against its U.S. greenback. For carriers like Air Canada and Westjet, the decline is especially important because most of the industry's costs, like fuel and equipment, are paid for in U.S. dollars.

Air Canada has more than \$3.3 billion, or US\$2.98 billion, in U.S. dollar-denominated debt. And according to Air Canada's 2012 annual report, every \$0.01 drop in the value of the Canadian dollar takes \$33 million out of the company's annual operating income. So investors expect currency headwinds to take a big bite out of the carrier's financial results.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:K (Kinross Gold Corporation)
2. TSX:RCI.B (Rogers Communications Inc.)

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