



## 5 Can't-Miss Investing Stories This Week

### Description

February has been good for Canadian investors. Since the start of the month the **S&P/TSX Composite Index** (^OSPTX) is up over 700 points, or almost 5.5%. However, there were a number of corporate and economic stories for investors to shift through as well. Here are the top five can't-miss headlines from last week.

#### 1) Blackberry surges after Facebook buys WhatsApp for \$19 billion

**Facebook** unveiled its [blockbuster US\\$19-billion acquisition earlier this week for the highly popular mobile messaging service WhatsApp](#). To put that figure into perspective, that's larger than the market capitalization of **Tim Horton's** (TSX:THI, NYSE:THI), **American Airlines**, and **Dollarama** combined.

However, the deal has put the spotlight on **BlackBerry's** (NYSE:BB, NASDAQ:BBRY) popular BBM messaging app. Following the deal's announcement the *Financial Times* reported on the calculations of Wells Fargo analysts who say BBM could be valued between US\$700 million to US\$3.4-billion, based on the US\$8.50 Rakuten paid for Viber last week and the US\$42 figure Facebook is paying for WhatsApp.

But the question is, who would buy it?

#### 2) Warning: Competition continues to threaten this popular donut shop

Tim Horton's only managed to squeeze out a tiny rise in profits during the fourth quarter.

For the three months ending December 31, the Canadian coffee icon posted a profit of \$100.6 million, or \$0.69 per share, up just 0.3% year-over-year and falling well below the street's expectations. Same-store sales, one of the most important metrics followed by investors, rose by just 1.6% in Canada and 3.1% in the United States.

As Fool contributor Benjamin Sinclair wrote on Friday, [we saw a familiar story out of Tim's this week](#). The Canadian market is nearly saturated with Timmies locations. And competition south of the border

remains intense. Aside from a 23% bump in the dividend, there really wasn't much for investors to hang their hats on this report.

### 3) Rogers goes all-in at wireless auction

**Rogers Communications** (TSX:RCI.B, NYSE:RCI) came out has the winner in this week's wireless auction.

Rogers paid \$3.3 billion for the "A block" in every major market. The 700 MHz spectrum band is better able to penetrate buildings and walls making the signal stronger in indoor areas. The deal could give Rogers the edge in the country's wireless industry.

The problem: investors are [worried that the company overpaid for this coveted spectrum](#). At \$3.3 billion the deal is three times higher than what analysts expected Rogers to spend at the auction. If better spectrum cannot provide a big enough bump to the company's wireless profits, Rogers may not be able to generate a sufficient return on investment for shareholders.

### 4) Canadian Natural optimistic on dry gas

**Canadian Natural Resources** (TSX:CNQ, NYSE:CNQ) is going shopping. On Wednesday, the [Canadian oil behemoth announced said that it will buy](#) some of **Devon Energy's** liquids-rich natural gas assets in Canada in a deal worth \$3.1-billion.

The assets on the table include several liquids-rich natural gas properties in Western Canada in areas next to or close to CNR's current operations. Given that the assets fit well within CNR's existing portfolio, there should also be plenty of opportunities for cost synergies.

The deal is also a little bit surprising. Only a few weeks ago CNR had most of its own natural gas assets on the chopping block. However, the company estimates that the deal will add \$75 million in cash flow this year. And given the lackluster market for dry gas assets, it's likely that CNR got an excellent deal in this transaction.

### 5) The Loonie flies south on weak retail sales

The Canadian dollar traded below the \$0.90 mark again on Friday following weak Canadian retail sales date. According to Statistics Canada, sales fell 1.8% to \$40.2 billion during the month of December – the biggest one-month drop in a year as severe weather kept consumers inside.

Traders are watching the incoming data because such information could give investors clues over where the Bank of Canada might be headed next. Following a series of weak economic reports and persistently low inflation, some market commentators are even calling for the bank to cut its benchmark rate from its current 1% level. And such chatter is putting pressure on the Loonie.

Is this something we're worried about at Fool HQ? No, not really. Fretting about currency rates has little to do with identifying wonderful businesses and reasonable prices. And over the long run, these fluctuations tend to even out.

## CATEGORY

1. Investing

## TICKERS GLOBAL

1. NYSE:CNQ (Canadian Natural Resources)
2. NYSE:RCI (Rogers Communications Inc.)
3. TSX:BB (BlackBerry)
4. TSX:CNQ (Canadian Natural Resources Limited)
5. TSX:RCI.B (Rogers Communications Inc.)

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