



5 Can't-Miss Investing Stories From This Week

Description

BlackBerry ([TSX: BB](#))(NASDAQ: BBRY) sales plunge. The **Bank of Montreal** ([TSX: BMO](#))([NYSE: BMO](#)) slashes mortgage rates. And the future looks bleak for the Canadian dollar. It was another busy week for investors; here are the week's top five can't-miss stories.

Signs of a turnaround at BlackBerry

BlackBerry's fiscal fourth-quarter loss narrowed, largely thanks to cost-cutting efforts at the company.

As expected, the quarter's headline numbers were abysmal. Sales plunged 67% below the U.S. \$1 billion mark in the fourth quarter. And the company posted a quarterly loss of \$423 million, or \$0.80 per share, versus a profit of \$94 million or \$0.18 a year earlier.

However, digging deeper into the quarter, there were definite [signs of a turnaround](#) in the works. The company's device business performed better than expected with the company recovering \$149 million from a previous inventory charge. And management is looking at break-even cash flow by the end of its fiscal 2015 year.

Overall, this report shows a lot of progress by Chief Executive John Chen and his team in a short amount of time.

Bank of Montreal cuts 5-year mortgage rate to 2.99%

Canada's mortgage wars are heating up. Only one week after Finance Minister Jim Flaherty announced his resignation, Bank of Montreal [cut the rate](#) on its five-year fixed rate mortgage to 2.99%

The question is whether ultra-low mortgage rates are fueling a bubble in Canada's housing market. BMO drew the ire of Mr. Flaherty last year when the bank dropped its mortgage rate to record lows. Newly appointed Finance Minister Joe Oliver warned again on Thursday that he is monitoring the industry closely, but admitted that the government has no plans to intervene in the commercial banking sector.

Lululemon is fighting back

If I had one word to describe **Lululemon's** ([NASDAQ: LULU](#)) quarter, it would be humility. After a year of missteps, executives at Canada's top sportswear retailer are [eager to turn the corner](#).

The company's financial results were disappointing. In the quarter, the struggling yoga giant reported net income of \$110 million, compared with profit of \$109 million in the same period a year earlier. Revenue increased 7% to \$521 million from \$485.5 million. Earnings per share came in at \$0.75, slightly below the street's expectations.

The scariest number: same-store sales slid 2% year-over-year. That's absolutely abysmal for a high-multiple retailer like Lululemon.

Once again, however, there were a number of positive developments beneath the headline numbers. Chief Executive Laurent Potdevin is predicting an uptick in sales for the latter half of this year and sees significant growth potential both domestically and internationally. The company is also finding success expanding outside its core yoga designs into new areas such as cycling, tennis, casual wear, and men's apparel.

Big order for Bombardier

Finally, some good news for **Bombardier** ([TSX: BBD.B](#)): This week **WestJet Airlines** (TSX: WJA) converted five options for Bombardier Q400 airplanes to firm orders to accommodate the airline's Encore network expansion.

The budget division of WestJet has nine Q400 planes flying now. The planes, which are scheduled for delivery in the second half of 2015, will raise Encore's fleet to 25 of the turboprops from 20.

Loonie's fading fortunes

The Bank of Nova Scotia is predicting hard times for the loonie.

The company's chief currency strategist, Camilla Sutton, forecasts the Canadian dollar will stay below the U.S. \$0.90 mark through the end of 2015. In her report issued on Thursday, Ms. Sutton pointed out that a dovish Bank of Canada and a suggestion by the Federal Reserve that interest rates could rise earlier than expected will put pressure on the currency. She predicts that the loonie could sink as low as U.S. \$0.86 by the end of the next quarter and closing out 2014 at US\$0.89.

"Late in the second half of the year, the CAD is expected to stabilize as a building U.S. economy recovery combined with a sustained depreciation in the currency flow into the Canadian fundamental backdrop," Ms. Sutton wrote in her report, "An improved domestic outlook should see the BoC embrace its neutral tone."

As per usual here at The Motley Fool Canada, our main focus is not predicting the direction of big macroeconomic indicators like currency prices or interest rates. Rather, we believe it's far more profitable to identify wonderful businesses trading at reasonable prices. Over the long run, these currency fluctuations tend to wash out.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NASDAQ:LULU (Lululemon Athletica Inc.)
2. NYSE:BB (BlackBerry)
3. TSX:BB (BlackBerry)
4. TSX:BBD.B (Bombardier)
5. TSX:BMO (Bank Of Montreal)

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