



5 Can't-Miss Investing Headlines This Week

Description

The merger of the century has been called off. Earnings season is heating up. And restaurants warn of mass closures. It was a hectic week for Canadian investors. Here are the top five can't-miss business headlines.

The oil sands are back baby

Earnings season is heating up and the oil sands are leading the charge. Shares of **Suncor Energy** ([TSX: SU](#))([NYSE: SU](#)) climbed 4% on Monday [after the company reported record operating results](#). The energy behemoth's first quarter profits rose to almost \$1.5 billion or \$1.01 per share, from \$1.1 billion or \$0.72 per share a year earlier.

Imperial Oil ([TSX: IMO](#)) followed a few days later with impressive results as well. Revenues rose 15% to \$9.2 billion in the recent quarter. Altogether the company earned \$946 million or \$1.11 per share, up from \$798 million or \$0.98 per share a year earlier.

Shareholders can thank a variety of factors for the unexpected bounce. The falling Canadian dollar provided the biggest boost. However, new pipeline capacity and increasing rail shipments have also reduced the discount for oil sands bitumen.

Busy week for Barrick

It was a busy week for Canada's largest gold mining company. On Monday, **Barrick Gold** ([TSX: ABX](#))([NYSE: ABX](#)) and **Newmont Mining** ([NYSE: NEM](#)) both announced that [merger talks between the two companies are over](#). Barrick had been trying to renew talks with their largest rival, but sources close to the matter said that Newmont's board of directors decided to terminate negotiations.

Later this week at the company's annual shareholders' meeting, Barrick posted a slew of updates. Founder and chairman Peter Munk was sent off with a standing ovation after announcing his retirement. Shareholders also voted in favour of the company's new compensation scheme and elected a slew of new directors to the board.

[Barrick's bid to transform itself](#) into a learner miner is also working. On Wednesday, the company reported that it spent U.S. \$833 to produce an ounce of gold, \$100 less than what it spent last year. For the three months ended in March, Barrick reported that it earned \$88 million or \$0.08 per share, versus \$847 million or \$0.85 per share a year earlier.

Fed cuts bond-buying program

This week Federal Reserve gave a mostly upbeat assessment of the U.S. economy and announced another cut to its massive asset purchase program. On Wednesday, the Fed said it would reduce its monthly bond purchases by \$10 billion. The decision was widely predicted with many economists expecting the program will be wound down completely by October.

The tapering could signal the end of an era. Over the past six years the central bank has quadrupled the size of its balance sheet to more than \$4.2 trillion in an effort to combat the financial crisis and the slow economic recovery that followed. The question now is when will Fed Chair Janet Yellen increase short-term interest rates above their current near-zero levels.

North American economy shifts into a lower gear

Ouch! Just before the Fed's recent remarks, new numbers showed the American economy is shifting into a lower gear. According to initial estimates from the U.S. Commerce Department, the country's economy grew at just a 0.1% annual pace during the first quarter. Though most economists blamed harsh winter weather on the weak reading.

Winter took its toll on Canada too. The economy expanded by just 0.2% during the month of February. Some economists believe this weak report could spur the Bank of Canada to cut its benchmark overnight interest rate this spring.

Restaurants warn of mass closures following Temporary Foreign Worker ban

Federal Employment Minister Jason Kenney is cracking down on the Temporary Foreign Worker program, a scheme meant for companies that can't find Canadians with the right skills for available jobs.

In recent weeks the program has come under mounting controversy following reports that a number of fast food restaurant chains including **McDonald's** and **Tim Horton's** (TSX: THI)(NYSE: THI) were exploiting the program to take advantage of less expensive foreign labourers. Canada's restaurant sector is warning of reduced hours and the possibility that some businesses may have to shut down in response to the federal government's decision to impose a moratorium on the program.

Both McDonald's and Tim Horton's have suspended use of the program while independent audits are conducted. However, it's not clear what will be the financial fallout from this controversy. For example, 5% of Tim Horton's workforce is on a temporary permit. Investors will be eagerly awaiting an update from management next week when the company reports its quarterly earnings.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:B (Barrick Mining)
2. NYSE:NEM (Newmont Mining Corporation)
3. NYSE:SU (Suncor Energy Inc.)
4. TSX:ABX (Barrick Mining)
5. TSX:IMO (Imperial Oil Limited)
6. TSX:SU (Suncor Energy Inc.)

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