



5 Can't-Miss Investing Headlines This Week

Description

Canada's job market disappoints. **Valeant** (TSX: VRX)(NYSE: VRX) up the ante for **Allergan** (NYSE: AGN). And is **Sears Canada** (TSX: SCC) doomed? Here are the top five can't-miss investing stories from last week.

1. Dismal jobs report sends the Loonie into a tailspin

Canada's jobs market is looking even bleaker after StatsCanada reported that the Canadian economy lost 29,000 jobs in April.

The unemployment rate held firm at 6.9%, however this was mostly due to the fact that many Canadians have simply given up looking for work. And while Canada's labour market has see-sawed for the past couple of months, the bottom line is that there has been little in the way of job creation since last summer.

This weak number took the steam out of the Canadian dollar's recent rally. Over the past month, the Loonie had been advancing against the U.S. dollar. However following the report on Friday, the Loonie lost about 1% of its value relative to the U.S. greenback as a slowing economy takes any interest rate hike from the Bank of Canada off the table.

2. EnCana is back in the black

EnCana (TSX: ECA)(NYSE: ECA) posted a first-quarter profit on Tuesday, demonstrating to shareholders that management is making good progress on its turnaround plan.

Canada's largest natural gas company posted a profit of \$116 million or \$0.16 per share, a big improvement from the \$431 million or \$0.59 per share loss the firm posted during the same time last year. Operating earnings rose to \$515 million or \$0.70 per share, versus \$179 million or \$0.24 per share a year ago.

As Fool contributor Matt DiLallo [pointed out in his earnings commentary](#), higher natural gas prices were the biggest driver behind that profit surge. However, the company is making progress on its plan

to boost production of higher margin oil and natural gas liquids. There were a [number of developments in this report](#) to suggest that the stock's rally can continue even without higher natural gas prices.

3. Sears Canada may be doomed

Sears' demise in Canada seems inevitable after news that its biggest shareholder may be pulling the plug on the faltering department store chain.

On Wednesday, majority shareholder **Sears Holdings** (NASDAQ: SHLD) said it will hire an investment bank to explore 'strategic alternatives' for its 51% stake in Sears Canada. That's banker code for sell the company.

It's no secret that the retailer is on its last legs. It has been apparent that Sears Canada has been positioning itself for a sale in recent months after the company began selling prime leases back to landlords, cutting costs, and outsourcing non-core operations.

It's not clear who the buyer would be, especially given the cut throat competition in today's Canadian retail market. However, Sears could be carved up into pieces. The company's retail stores may be attractive to rivals like **Hudson's Bay**, **Macy's**, and **Kohl's** and its leases could find a bid from landlords and pension funds.

4. Valeant ups the ante for Allergen

This week Valeant Pharmaceuticals raised its bid for botox maker Allergan.

In April, [Valeant unveiled](#) its cash and share bid for Allergan in a deal backed by hedge fund manager Bill Ackman. However, this week Allergan's board rejected the hostile \$47 billion takeover bid, saying that the deal significantly undervalued the company.

"Based on your feedback at our April 28 webcast, we plan to improve our offer for the company to demonstrate our commitment to get to deal done," Valeant Chief Executive Michael Pearson penned in a letter to Allergen shareholders. The new bid stands at U.S. \$48.30 cash and 0.83 of a Valeant share.

5. Bank of Nova Scotia exploring sale of C.I. Financial

Looking to buy your own wealth management firm? **Bank of Nova Scotia** ([TSX: BNS](#))([NYSE: BNS](#)) is looking to sell its \$3.8 billion stake in **C.I. Financial** ([TSX: CIX](#)).

The announcement is a bit of a surprise for investors. Many analysts had been expecting Bank of Nova Scotia to take over the entire business and the street had even baked a small takeover premium into C.I.'s share price. As a result of the news, C.I. shares plunged 4% on Thursday.

Why is Bank of Nova Scotia selling? Under Basel rules, lenders must set aside a large amount of capital to backstop even minority stakes in subsidiaries. Scotiabank clearly feels it can find a more productive use for that cash. However, there are also well known cultural differences which have occasionally resulted in public clashes between the two companies.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:BHC (Bausch Health Companies Inc.)
2. TSX:BNS (Bank Of Nova Scotia)
3. TSX:CIX (CI Financial)

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