5 Can't-Miss Investing Stories This Week

Description

BlackBerry's (TSX: BB)(NASDAQ: BBRY) turnaround is taking shape, **PrairieSky** (TSX: PSK) lights up on Bay Street, and Canada's banks post another round of record profits. It was another busy week for investors. Here are the top five can't-miss investment headlines.

1. Odds of BlackBerry turnaround improving

Reports from Wednesday's Code Conference in Rancho Palos Verdes, California, suggest BlackBerry Chief Executive John Chen is growing more confident in the company's turnaround chances. In his view, the odds of saving the struggling smartphone manufacturer have risen to 80/20, up from his previous spread of 50/50.

"We have a lot of problems, but it's not dead,"' he told attendees. "I am quite positive that we will be able to save the patient."

Chen has been working to shift the company's focus from smartphones to mobile data and security services. Since his arrival, BlackBerry has been trying to play a bigger role in the "Internet of Things" , connecting everything from automobiles to kitchens to the internet as mobile services spread beyond desktops, tablets, and phones.

2. EnCana spinoff jumps 30% after IPO

Shares of PrairieSky Royalty Trust surged 32% during its first day of trading on Thursday. The largest Canadian initial public offering in over a decade, PrairieSky climbed to $37 at the close from its initial $28 sale price. **EnCana** (TSX: ECA)(NYSE: ECA) raised $1.46 billion from the sale and may receive a total of $1.67 billion if the underwriters exercise their option to buy more stock.

PrairieSky holds the rights to about 2 million hectares worth of oil and gas assets in central and southern Alberta and will change fees for the right to drill on its properties. And the interest in the stock shouldn't be surprising given that the company is expected to pay out a dividend yield over 4%.

Following this debut of PrairieSky, the question now is whether other deals will follow. **Cenovus** (TSX: CVE

)(NYSE: CVE) owns about 971,000 hectares of royalty land; however, management doesn't plan to restructure or spin off those properties. **Canadian Natural Resources** (TSX: CNQ)(NYSE: CNQ) has considered spinning off its royalty assets, which are expected to deliver at least $140 million of pre-tax cash flow in 2014.

3. Labour crunch looms in the oil sands

A report from the Petroleum HR Council flew under the radar at most media outlets, but it spells trouble for Canada's oil sands industry. Thanks to a slew of new project approvals, the demand for petroleum engineers, pipefitters, plumbers, and other skilled workers is set to explode.

According to the report, the oil sands sector will need to hire an additional 25,000 people to accommodate its expansion over the next decade. Oil sands operations alone would require 58% more jobs, taking total employment in the sector to about 41,880. Jobs in the oil sands mining segment would require 45% more jobs from today's levels, while in-situ will require 91% more jobs over the same period.

Where all of this labour is going to come from isn't clear. Skilled workers are already tough to find given that Alberta's unemployment rate is under 5%. All of this means companies like **Suncor**, **Imperial Oil**, and Canadian Natural Resources will once again have to worry about cost inflation eating into profits.

4. Crude by rail picking up steam

For more evidence that **TransCanada's** (TSX: TRP)(NYSE: TRP) Keystone XL pipeline is losing relevance with each passing day, look no further than the latest numbers from the National Energy Board. Canadian exports of crude oil by rail hit a record high of 160,000 barrels per day during the first quarter of 2014, up 50% from the same period last year.

This is good news for Canadian railroad operators like **Canadian National Railroad** (TSX: CNR)(NYSE: CNR) and **Canadian Pacific** (TSX: CP)(NYSE: CP). The crude-by-rail boom in Canada has been gathering momentum over the past two years as producers seek alternatives to congested pipelines. Now, oil producers like Imperial Oil and Cenovus are scrambling to build new rail terminals.

5. Canadian banks report another round of solid earnings

Canada's big banks continue to defy the skeptics, reporting another round of record profits and handily beating the street's expectations.

During the second quarter **Bank of Montreal** (TSX: BMO)(NYSE: BMO) earned $1.1 billion or $1.60 per share, up 12% year over year. The company also raised its quarterly dividend by $0.02 to $0.78 per share.

Bank of Nova Scotia (TSX: BNS)(NYSE: BNS) also posted record core earnings thanks to solid performances from its domestic banking and wealth management divisions. Second quarter profits came in at $1.8 billion or $1.39 per share, up 14% compared to the same period last year.

The only outlier was the **Canadian Imperial Bank of Commerce** (TSX: CM)(NYSE: CM), whose profits fell 60% on a goodwill writedown on its Caribbean banking division. However, the bank sill managed to increase its dividend by $0.02 to $1.00 per share.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:BB (BlackBerry)
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3. TSX:BMO (Bank Of Montreal)
4. TSX:BNS (Bank Of Nova Scotia)
5. TSX:TRP (TC Energy Corporation)

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