Monday, March 23rd.

- Suncor acquires Petro-Canada for $17 billion (CAD) in stock
- Aabar Investments of Abu Dhabi purchases 9% of German automaker Daimler for $2.7 billion (U.S.)
- Under a new Public-Private Investment Plan, the U.S. Government will provide financing for $500 billion (U.S.) to $1 trillion (U.S.) in purchasing power for the private sector to participate with government, in the purchase of troubled or toxic assets, mostly from American banks. The administration said that it expected participation from pension funds, insurance companies and hedge funds etc.

  Indeed, a key question regarding the success of this initiative will be whether, or not, prices for these toxic assets can be negotiated to satisfy both potential sellers, such as Citibank and potential buyers, such as Pimco and BlackRock. Also, it remains to be seen whether banks which sell toxic asset holdings actually decide to use the proceeds to expand lending, or, to repay TARP loans to the U.S. Federal Government.

- The Governor of the People’s Bank of China, Zhou Xiaochuan, proposes a sweeping overhaul of the global monetary system by replacing the U.S. dollar with an IMF special drawing right, as the world's reserve currency
- Societe Generale, bowing to political and public pressure over executive compensation, cancels discounted stock options, previously awarded to four company executives
- Canadian leading economic indicators index (LEI) fell by 1.1% in February
- Japanese house prices declined by 3.2% in 2008
- HSBC Canada to raise $200 million (CAD) through a preferred share issue
- The World Trade Organization (WTO) forecasts a decline of 9% in global trade volumes this year
- The U.S. National Association of Realtors reports that sales of existing homes rose by 5.1% in February versus a 5% decline in January, as buyers acquired foreclosure properties
- The Province of Ontario plans to spend $27.5 billion (CAD) on infrastructure programs over the next two years
- Moody's downgrades the credit rating of General Electric and GE Capital from AAA to AA2 with a stable outlook
- SAAB Automobile, owned by General Motors, lost $343 million (U.S.) in 2008, but was denied financial assistance by the Swedish government, as stated recently by Enterprise Minister Maud Olafsson, “The Swedish state is not prepared to own car factories.”

Tuesday, March 24th.

- Nissan’s global auto production for February fell by 51.3 %, on a year-over-year basis
- Honda’s global automobile production fell for a 4th. consecutive month in February, down 42.7% compared to a year ago
- Toyota Motor, Japan’s largest automaker, reported that worldwide auto production declined by 49.6% in February from a year ago
- In a recent report, the Japan Automobile Manufacturers Association stated that the next 12 months aren’t likely to offer much relief for Japan's auto giants.
- Tembec to idle Ontario plants for a month
- The Office for National Statistics reported that the British consumer price index rose by 0.9% in February, fueled by rising costs for food, beverages, recreation and transportation.
The Federal Reserve Board to commence buying U.S. Treasury notes and bonds on Wednesday

In testimony before the House Financial Services Committee, U.S. Treasury Secretary Geithner called for new financial regulation with stronger government oversight over institutions and markets that could pose systemic risks to the broader economy (See Winter Warning, The More Corrupt a Republic, the More Laws – November 10 /08).

Total Canadian bankruptcies rose 19% in January, with consumer bankruptcies rising 21.7%

Finger Interests Ltd., a Houston, Texas investment firm and long-term shareholder in the Bank of America, opposes re-election of three Bank of America directors, including Chairman Ken Lewis, at the B of A annual shareholders’ meeting on April 29th., citing a breach of fiduciary responsibility during the B of A takeover of Merrill Lynch (See Winter Warning, The Clash of Cultures – February 2 /09)

Royal Bank of Canada launches $400 million (CAD) issue of preferred shares

Wednesday, March 25th.

U.S. new home sales rose by 4.7% in February, to a seasonally adjusted annual rate of 337,000, higher than the revised 322,000 pace reported for January. (These figures may be overstated because cancelled sales contracts, which have risen dramatically in the past year, are also included in the compilation).

Czech Prime Minister and current European Commission President, Mirek Topolanek, comments on U.S. economic recovery plans by saying that “all of these steps ...are a way to hell” that will “undermine the stability of the global financial market.”

U.S. Treasury Secretary Geithner says he is “open to China’s suggestion to consider” IMF Special Drawing Right as the world’s reserve currency, but still expects the U.S. dollar will remain in that position for quite a long time. (See Winter Warning, The Die Is Cast – September 22 /08)

The U.S. Commerce Department reported that durable goods orders rose 3.4% in February, compared to a revised decline of 7.3% in January.

The White House will receive the “taxation gap” budget report from its tax task force by December 4th.

International Business Machines (IBM) announces 5,000 job layoffs, with many of the jobs being transferred to India

The Canadian Broadcasting Corporation announces 800 job layoffs in an effort to reduce costs by $171 million (CAD)

Canadian Budget Officer, Kevin Page, reports to a Standing Finance Committee:
  1) Canada’s GDP will contract 8.5% in the 1st. quarter and 3.5% in the 2nd. quarter
  2) the federal deficit will be a cumulative $73 billion (CAD) over 2009 and 2010
  3) Canadian job losses will total 385,000 in the first half of 2009

Reflecting the economic reality of the day, Kevin Page’s predictions are much worse than those presented in Finance Minister Flaherty’s budget of January 27th. Amazingly, Conservative MPs reacted by asking Mr. Page why he didn’t report any “positive stuff” and raised concerns about what they suggested were “alarmist statements”. Indeed, one senior MP chided Mr. Page for his “harsh language.”

What is alarming here is the blatant ignorance of the Tory MPs who are members of this committee. I used to think that the worst insult one could ever convey to another person was to label him / her a complete and utter buffoon. In this instance, calling these MPs buffoons is to pay them a compliment. Since they possess an ostrich mentality with their heads securely embedded in the sand, they have no concept of reality. Our kudos and compliments to Mr. Page. (See Winter Warning, Flaherty Will Get You Nowhere – February 2 /09).

HSBC announces 1,200 job layoffs in the United Kingdom

Japanese exports drop 49.4 % in February
Livent Inc. co-founders Garth Drabinsky and Myron Gottlieb found guilty on 3 counts of fraud and forgery

Goldman Sachs forecasts total euro bank losses may reach $1.3 trillion (U.S.)

BJ Services announces 1,500 job layoffs and freezes employee wages

U.S. Federal Reserve Bank of New York purchases $7.5 billion (U.S.) of U.S. Treasury notes and bonds maturing between 2016 and 2019

Tembec closes Quebec mill for 3 months, affecting 150 jobs

U.S. commercial real estate loans are defaulting at an accelerating pace, threatening to cause tens of billions of dollars in losses to U.S. banks

**Thursday, March 26th.**

- The Commerce Department reported that the U.S. GDP contracted by a revised 6.3% annual rate in the 4th. quarter, versus a previously reported 6.2% (See Winter Warning, A Man of Constant Sorrow (2) – March 2/09)
- U.S. initial claims for unemployment benefits increased by 8,000 to 652,000 in the latest week, while continuing claims rose by 122,000 to a record 5.56 million
- Toyota’s U.S. auto sales worsen in March, with President Katsuaki Watanabe admitting that he still can’t determine what the auto demand will be in the next fiscal year
- Bank of America will merge its Premier Banking unit into Merrill Lynch, thereby eliminating several hundred jobs due to duplication
- The Province of Newfoundland forecasts a $750 million (CAD) cumulative deficit over fiscal 2009 and 2010.
- Nortel wins bankruptcy court approval to sell assets
- The Province of British Columbia raises a record $2.4 billion (CAD) from sales of oil and gas land rights
- Magna International closes Syracuse, New York plant
- The Ontario Securities Commission (OSC) launches an investigation into an alleged $60 million (CAD) ponzi scheme involving fraud and misrepresentation, by Weizhen Tang Corp. which targeted mostly Chinese Canadians
- The Ontario Government tables a budget projecting a $14 billion (CAD) deficit for fiscal 2010 and forecasts annual deficits for a further 6 years

**Friday, March 27th.**

- Japanese retail sales plunge by 5.8% in February
- Euro zone industrial orders fell by 34% in January
- University of Michigan consumer sentiment index rose to 57.3 in March versus 56.3 in February
- Tyson Foods closes Oklahoma plant affecting 580 jobs
- Sun Life raising $500 million (CAD) by issuing notes
- Auto parts supplier Johnson Controls closing 10 factories and reducing its work force, while undergoing a corporate restructuring
- President Obama to unveil a new bailout for the auto manufacturers soon
- German Finance Minister Peer Steinbrueck warned that the Euro could suffer if member countries fail to respect the European Union’s stability and growth pact
- U.K. Gross Domestic Product (GDP) contracts by 1.6% in the 4th. quarter of 2008, revised from a previously reported minus 1.5%
- Charter Communications files for chapter 11 bankruptcy
- Chrysler Canada and the Canadian Auto Workers Union (CAW) are still some distance apart re: negotiations on potential bailout concessions

Written By: Christopher Funston

*Those who cannot remember the past are condemned to repeat it.* - Santayana