

Thursday » October
16 » 2008

Saskatchewan will survive roller-coaster ride: analyst

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SASKATOON -- The share values of resource and commodities-based Saskatchewan companies took a dive along with the main index on the Toronto Stock Exchange Wednesday as renewed concerns of a recession popped up yet again.

Provincial heavyweight Potash Corp. of Saskatchewan Inc. fell 17.46 per cent on the day to \$92.57, trading as low as \$91.42 after closing above \$100 for four consecutive trading days.

PotashCorp, which calls itself the world's largest fertilizer enterprise, had closed at \$112.15 on Tuesday, a one-day drop of nearly \$20.

Agrium Inc. had also recorded a significant drop Tuesday. The Calgary-based fertilizer group, which mines its potash in Vanscoy, was down 12.57 per cent to \$40.90 at the close of the markets. As recently as Sept. 22, Agrium shares traded as high as \$91.06. The company had closed Tuesday at \$46.78 after a strong day of rallying on the market.

Shares in Athabasca Potash Inc., meanwhile, remained above \$2 at the end of trading Wednesday. Still, the junior potash exploration company noted a drop of nearly one per cent to close at \$2.08, two pennies short of its closing value one day earlier.

Uranium giant Cameco Corp. dropped 13.97 per cent on the TSX Wednesday to close at \$16.01, down from Tuesday's closing value of \$18.61.

The company traded as high as \$18 and as low as \$15.72 Wednesday.

Grain-handling company Viterra Inc., which is based in Regina, dropped 2.44 per cent to \$7.61 Wednesday, down from its closing value of \$7.80 on Tuesday. Saskatoon's Shore Gold Inc. also fell on the difficult trading day, sliding 9.33 per cent to \$0.68 from \$0.75 a day earlier.

Saskatchewanians taking a long-term view of the situation need not worry about any major personal financial blows, said University of Saskatchewan economics professor Eric Howe. People wanting to draw on their savings, especially their pensions, within the next 24 months, however, are in a different situation.

"I don't think it's of the slightest concern for people who were not planning to draw on that money (pension funds) for another five years, say. For people who were planning to draw from it sometime over the next couple of years, I would be staying awake at night, if I were them," he said.

Howe expects Saskatchewan companies to come out of the economic rollercoaster relatively unscathed.

"Will the market regain what it's lost? Certainly. The fundamentals of these businesses are very, very good," he said.

"These firms are in very good shape financially, along with the province."

After a day of gains on the market Tuesday, the S&P/TSX composite index dropped more than 600 points Wednesday.

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