

June 27, 2011

A clarion is a medieval trumpet that had clear, shrill tones. Trumpets were often used to get people's attention when making announcements. We are also using "clarion" in the context of making announcements, as well as being thought-provoking when sharing our information and opinions with those people who are interested in new investment ideas.

for your Information

New-Look Website

eResearch has updated its website with a new look, more simplified, more appealing, and better laid out. Our latest Reports and Videos are now up-front and centre on the Home Page. We have added considerably to our Technical component.

We are always trying to give our Subscribers better service and trust this website revision will be well accepted. If you like it, let us know.

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Topic: Sector Rotation

The last two months have generally been "down" months for the market indexes. We shouldn't complain, given that those indexes are still well above year-ago levels, but we hate to lose money. The indexes are also all well down from their 2011 highs.

We last looked at sector performance exactly a month ago. Since then, the percentage gains are lower compared to a year ago, and the drops from the 2011 highs are higher.

There has been some sector rotation over the past month. *Materials* have dropped from second (+26% Y/Y) to sixth (+13% Y/Y). *Energy* is the other notable, from +20% Y/Y a month ago to only +6% Y/Y now. This is not surprising, given Canada's weighting in commodities: mining and energy (oil and gas). From the 2011 highs, *Energy*, *Materials*, and *Information Technology* fared the worst. The "safer" sectors fared best: *Telecommunications*, *Consumer Staples*, and *Utilities*. That is what sector rotation is all about. (The surprise is the good performance of *Industrials*.)

Canadian Statistics

	Year Ago June 25 <u>2010</u>	High for <u>2011</u>	Current June 24 <u>2011</u>	Change since <u>Year Ago</u>	Change since <u>2011 High</u>
Health-Care	40.24	62.37	58.72	46%	-6%
Consumer Staples	166.01	211.59	200.02	20%	-5%
Industrials	96.70	120.26	115.02	19%	-4%
Utilities	190.09	232.40	217.72	15%	-6%
Telecommunications	85.24	100.54	97.96	15%	-3%
Materials	344.40	461.63	388.06	13%	-16%
Information Technology	27.64	35.64	30.17	9%	-15%
Financials	173.91	201.65	186.57	7%	-7%
Consumer Discretionary	88.84	103.74	94.33	6%	-9%
Energy	286.00	370.75	303.49	6%	-18%

Stock-of-the-Week

<Will return>

-2-

The next table shows the U.S. performance. Interestingly, there was absolutely no change in the order of the sectors. And, the percentage changes, year-over-year, were not much different, just a tad lower, compared to a month ago. From the 2011 highs, all the indexes are only slightly worse than a month ago.

	<u>U.S. Statistics</u>				
	<u>Year Ago</u>	<u>High</u>	<u>Current</u>	<u>Change</u>	<u>Change</u>
	<u>June 25</u>	<u>for</u>	<u>June 24</u>	<u>since</u>	<u>since</u>
	<u>2010</u>	<u>2011</u>	<u>2011</u>	<u>Year Ago</u>	<u>2011 High</u>
Energy	52.49	80.97	70.93	35%	-12%
Telecommunications	19.23	25.89	24.23	26%	-6%
Consumer Discretionary	30.81	41.02	38.50	25%	-6%
Materials	30.10	41.28	37.47	24%	-9%
Industrials	28.92	38.98	35.63	23%	-9%
Health-Care	29.01	36.57	34.68	20%	-5%
Consumer Staples	25.88	32.46	30.61	18%	-6%
Information Technology	21.48	27.09	24.54	14%	-9%
Utilities	28.84	34.30	32.80	14%	-4%
Financials	14.64	17.20	14.76	1%	-14%

The next table shows the performance of the major Indexes for Canada, the U.S., the U.K., and Japan.

	<u>Market Indexes</u>				
	<u>Year Ago</u>	<u>High</u>	<u>Current</u>	<u>Change</u>	<u>Change</u>
	<u>June 25</u>	<u>for</u>	<u>June 24</u>	<u>since</u>	<u>since</u>
	<u>2010</u>	<u>2011</u>	<u>2011</u>	<u>Year Ago</u>	<u>2011 High</u>
S&P/TSX Venture	1,458.72	2,287.82	1,905.33	31%	-17%
NASDAQ	2,223.48	2,887.75	2,652.89	19%	-8%
DJIA	10,143.81	12,876.00	11,934.58	18%	-7%
S&P 500	1,076.76	1,370.58	1,268.45	18%	-7%
London FTSE 100	5,046.47	6,105.77	5,697.72	13%	-7%
S&P/TSX Composite	11,707.85	14,329.49	12,908.89	10%	-10%
Tokyo Nikkei	9,737.48	10,891.60	9,678.71	-1%	-11%

Canada's commodity-laden TSX Venture Exchange still leads the race, but it is down the most from the 2011 highs. The U.S. indexes have fallen the least from the 2011 highs. Tokyo's Nikkei is still under water from a year ago.

Bob Weir, CFA, and Managing Director, Research Services

**New eResearch
Material Since
June 15, 2011:**

1. Initiating Reports

NONE

**2. Update Reports
and Bulletins**

[SLAM Exploration](#)
06/23/2011

[Microbix
Biosystems Inc.](#)
06/23/2011

[Nemaska
Exploration Inc.](#)
06/22/2011

[NSGold Corp.](#)
06/22/2011

[Strike Minerals](#)
06/22/2011

[Global Railways
Industries Inc.](#)
06/17/2011

[Duran Ventures](#)
06/15/2011

3. Analyst Articles

[Market Breadth](#)
06/20/2011

[Analyst Articles](#)
(Various)

In addition to these reports and articles, our full complement of research is available at www.eresearch.ca

BriefCase

NewsBytes from June 17 - June 24, 2011

Additional information on the companies featured in NewsBytes may be found at www.sedar.com, and at www.eresearch.ca.

For the latest eResearch publications, see sidebar opposite.

Virgin Metals Inc. (\$0.28 - June 17, 2011; VGM-TSX-V) Virgin Metals has closed a non-brokered private placement of 1,150,000 units at \$0.30 per unit, for gross proceeds of \$345,000. Part of the net proceeds is to be used to advance the pre-feasibility report on the Company's Los Verdes property in Sonora, northern Mexico.

Stroud Resources Ltd. (\$0.11 - June 17, 2011; SDR-TSX-V) Stroud Resources has granted - to directors and officers under the Company's stock option plan - options to acquire an aggregate 5,540,000 common shares. Each option is exercisable for the acquisition of one common share of Stroud at \$0.11 per share for a three-year period. The options vest one-third immediately, and one-third on each of the 7- and 13-month anniversaries of the date of grant.

Adex Mining Inc. (\$0.18 - June 20, 2011; ADE-TSX-V) At the annual and special meeting of shareholders, Interim President and Chief Executive Officer Ms. Lam Kwan announced that Adex would be moving its head office from Toronto, Ontario to Fredericton, New Brunswick. Adex's multi-metal flagship Mount Pleasant mine property is located in Charlotte County in that province.

Amerix Precious Metals Corporation (\$0.205 - June 22, 2011; APM-TSX-V) Amerix has closed its bought-deal private placement offering of 18,200,000 units at \$0.22 per unit, for gross proceeds of \$4,004,000. The proceeds are to be used for the advancement of the Company's Limão project in Brazil and for general working capital purposes.

Cadillac Ventures Inc. (\$0.16 - June 23, 2011; CDC-TSX-V) Cadillac Ventures has obtained an average of 0.611% Cu and 0.373% Ni over 52 feet from drill hole K-11-07 at the Company's K1-1 deposit three kilometres east of the Thierry mine deposit on the Thierry project property outside Pickle Lake, Ontario. The samples were selected and rushed for assay on the basis on the size of the crystals. This is the first hole at K1-1 in which the massive crystals have been identified, hosted in a breccia zone.

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Opportunity Knocks

At the present time, eResearch has no positions available.

If you are interested in learning more about eResearch, please contact Bob Weir at the following:
bweir@eresearch.ca.

“Research is the
bedrock underpinning
all capital markets”

Monthly Top Ten

(Includes reports and articles only)

The top ten downloads from www.eresearch.ca since May 30, 2011:

1. Analyst Article, Greek Default, June 17
2. Analyst Article, Gold Price Outlook, June 24
3. Microbix Biosystems Inc., Perspective, June 23
4. Duran Ventures Inc., Perspective, June 15
5. Liberty Mines Inc., June 10
6. SLAM Exploration Ltd., Update Report, June 23
7. Purepoint Uranium Group Inc., Perspective, June 6
8. Market Breadth, June 6
9. Dynetek Industries Ltd., **StockPotentials**, June 14
10. Nemaska Exploration Inc., Perspective, June 7

Bi-Weekly Top Five

(Includes reports and articles only)

The top five downloads from www.eresearch.ca since June 13, 2011

1. Analyst Article, Greek Default, June 17
2. Analyst Article, Gold Price Outlook, June 24
3. Microbix Biosystems Inc., Perspective, June 23
4. Duran Ventures Inc., Perspective, June 15
5. SLAM Exploration Ltd., Update Report, June 23