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TSX SLIPS AS ENERGY GAINS OFFSET BY FINANCIALS, INDUSTRIALS

Canada's main stock index fell on Monday, weighed by financial, industrial and healthcare stocks that canceled out energy gains after the country's main oil-producing province unveiled a plan to tax carbon emissions and Saudi Arabia vowed to support oil prices.

The Toronto Stock Exchange's S&P/TSX composite index .GSPTSE settled down 51.11 points, or 0.38 percent, at 13,382.38. Six of its 10 main groups fall.

Shares in power generation company TransAlta Corp TA.TO were halted in the last half hour of trade up 9.4 percent at C$5.96. The company later said it would receive a C$540 million investment from TransAlta Renewables, which it spun off in 2013 but in which it continues to hold a majority stake.

It had earlier cheered the Alberta government's move to phase out coal-fired generation by 2030, a timeline it said would not "strand capital".

The province, home to the country's controversial oil sands, said on Sunday it will implement an economy-wide tax on carbon emissions in 2017.

Capital Power Corp CPX.TO, which also operates in Alberta, fell 10.3 percent to C$16.82.

Other energy names appeared to benefit from a Saudi statement saying it would cooperate with other producers to achieve market stability, days before the OPEC group meets to review its year-long policy of not supporting prices.

Cenovus Energy Inc CVE.TO gained 2.3 percent to C$19.96 and Encana Corp ECA.TO advanced 3.5 percent to C$10.67. The overall energy group added 0.9 percent.

On the other side of the ledger, Royal Bank of Canada RY.TO slipped 0.8 percent to C$75.49 and Manulife Financial Corp MFC.TO gave up 0.9 percent to C$21.67.

Canadian National Railway fell 1.6 percent to C$79.12, while the overall industrials group lost 0.8 percent.

ENBRIDGE LINE 9B SAID TO DELIVER CRUDE OIL TO EASTERN CANADA

One eastern Canadian refiner began receiving crude oil via Enbridge Inc.'s newly reversed Line 9B Tuesday, according to a person familiar with the matter.

About 60,000 barrels of crude was received as of Tuesday, including Bakken oil from North Dakota, said the person, who asked not to be identified because the information isn't public.

Enbridge began reversing the 300,000 barrel-a-day pipeline in 2011 as refineries in eastern Canada looked to tap into cheaper oil being produced in western Canada and the U.S. Midwest. Landlocked crudes typically sell at a discount to waterborne supplies.

Companies like Suncor Energy Inc. and Valero Energy Corp. have said their refineries in Quebec could rely 100 percent on North American crude after the reversed pipeline ramps up to full capacity.

The new flow has redirected some crude that used to go to Cushing, Oklahoma, the largest storage hub in the U.S. Enbridge's Spearhead pipeline, which runs to Cushing from Illinois, will run below capacity in December and January, the first time that has happened in nearly two and a half years.

Graham White, a spokesman for Enbridge, declined to confirm that first shipments had been made, saying the company remains on schedule to deliver oil from the pipeline this month.

OIL PRICE DECLINES: CANADIAN NATURAL (CNQ), CONTINENTAL (CLR), CONSOL ENERGY (CNX)

When the Organization of Petroleum Exporting Countries (Opec) meets Friday in Vienna, the cartel will be celebrating a victory of sorts, one that has cost its members dearly.

A year ago Opec, whose members include Saudi Arabia, United Arab Emirates and Venezuela, was facing increasing competition from North America. Alarmed by the growing supply of oil from non-traditional producers using fracking to access oil in shale deposits like the Bakken field in North Dakota, Opec was determined to stop this competition. Instead of trying to support prices, it decided to maintain market share.

Oil price falls as Saudi Arabia pushes Opec cartel to hold production levels

The theory was a sharp price drop would kill these expensive-to-operate shale-oil producers and Opec would regain its crown as supplier of choice. The strategy certainly helped bring down prices. By 31 December 2014, prices for both Brent and the West Texas Intermediate crude oil slid about 50% from their 2014 high. In 2015, prices continued falling. Now they hover just off 2009 lows, around $44 a barrel for Brent and $41 for WTI.

The problem for Opec, and oil producers in general, is prices remained weak for much longer than expected. Only recently has US shale-oil production slowed, which is why most oil-market watchers expect Opec to maintain its focus and continue with its expensive plan to undermine the competition.

“Is Saudi Arabia now going take a U-turn just as it is about to see its strategy work? Given the fact their motives behind it was to get rid of the high-cost producers out there … [it is] unlikely they will take a U-turn at this time,” said Abhishek Deshpande, chief oil market analyst at Natixis.

In other words, if Saudi Arabia wants to play the long game and smother the competition, it has to take more short-term pain.

Continental Resources, Inc. (NYSE:CLR) share price decreased in the last trading session with a previous 52-week high of $53.65. The stock traded at a volume of 5,824,093 shares at a price gain of -6.13%. The share price is now up 12.06% for the past three months. Latest closing price was 0.51% above its 50-day moving average and -13.57% below its 200-day moving average.

Canadian Natural Resource Ltd (USA) (NYSE:CNQ) slumped -4.09% at the end of recent close. Its previous 52-week high was $34.35, trading at a volume of 3,983,090. Shares have risen -21.89% over the trailing 6 months. The stock is currently trading 0.02% above its SMA 50 and -12.18% below its SMA 200.

CONSOL Energy Inc. (NYSE:CNX) closed at $8.67, up 0.23% from previous close and at a distance of 9.78% from 20-day simple moving average. Over the last 12 months, a return on equity of -6.60 percent was realized due to the financial situation and earnings per share reached a value of $-1.46.

FURTHER STAFF CUTS POSSIBLE AT 1/3 OF OIL AND GAS COMPANIES IN 2016

Hays Canada survey shows burnout among existing energy sector employees

A hiring and pay outlook survey shows that 35 per cent of oil and gas companies expect a deterioration of the business that could lead to further staff cuts.

The survey by Hays shows 63 per cent of respondents in the oil and gas industry were forced to make unexpected staff cuts this year because of low oil and gas prices, while only 13 per cent did any hiring.

While the energy sector began the year with 70 per cent of employers believing they would grow, as the year went on and oil prices stayed low, about 75 per cent of those surveyed experienced a decline in business.

The Canadian Association of Petroleum Producers estimates that 35,000 oilpatch jobs have been cut this year.

There was deep pessimism among oil and gas company employers as they look to 2016, with almost 18 per cent saying they may lower pay during the year. About 42 per cent said salary increases are not likely.

Employers have weak economic confidence, and a very cautious outlook for business activity in 2016, Hays Canada president Rowan O’Grady said.

The survey found employers were noting declining morale and burnout among people who remain on the job.

Half of employers said they don’t expect to hire in 2016.

Oil and gas companies remained concerned about skills shortages in the industry, saying they see many personnel leaving the sector and are worried about hiring in future.

But 2016 will not be the year they invest in recruiting or training, the survey seems to indicate.

“If the price of oil rises, we anticipate Alberta employers will charge full steam ahead, aiming to significantly increase business activity levels. The potential scramble for talent in an already short market should serve as a caution to other employers regardless of sector,” O’Grady said.

Although oil woes have reverberated in other parts of the Canadian economy, businesses across most of the country were upbeat, with survey results suggesting that nearly 60 per cent of Canada’s employers saying they will grow in 2016.

In the next 12 months, more than half of Canadian employers will increase salaries by up to 3 per cent.

The Hays survey polled more than 3,300 employers and employees across Canada in October.

SUNLIGHT-ACTIVATED NANOPARTICLES COULD CLEAN UP OIL SANDS POLLUTION ON THE CHEAP

Last year around 2.3 million barrels of oil were pulled each day from tar sands in Alberta, Canada, and the third largest oil reserve in the world. This mining process is hugely water-intensive, and though much of it is recycled, it still results in massive pools of polluted wastewater which are difficult to treat and pose a threat to the environment. Canadian researchers have developed a new approach to removing the contaminants using sunlight and nanoparticles, an approach they say will prove much more effective and cheaper than existing methods.

Extracting bitumen, a form of crude oil, from sands involves adding a whole lot of warm water and then agitating the mixture. The Government of Alberta says that 80 to 95 percent of the water is then recycled. But whatever water is leftover is then pumped into tailing ponds, dam-like structures designed to contain the harmful contaminants thatcover around 77 sq km (30 sq mi) of the province. The concerns are that it can leak into the nearby water systems, increase the risk of soil erosion and also poison wildlife.

The key culprit behind the wastewater's toxicity is the presence of napthenic acids, which still linger even after decades have passed. University of Calgary scientists are looking into their own method of biotreatment that uses algae and bacteria to degrade the napthenic acids, in an effort to improve on the expensive and inefficient process of using chlorine or membrane filtering.

But their compatriots at the University of Waterloo now claim to have identified a more energy-efficient and practical way forward. It is based on photocatalysis, a chemical reaction whereby titanium dioxide molecules are activated by UV light to produce free radicals capable of destroying bacteria, fungi and other organisms. In the past we have seen photocatalysis used in the development of air purifying clothes and self-cleaning windows and walls.

In tests conducted on a sample of oil sand wastewater, the University of Waterloo scientists found that the process broke down the toxic compounds, completely freeing the water of napthenic acids within hours. Promisingly, the technique is powered entirely by sunlight, and the robust nanoparticles can be retrieved and used over and over.

"With about a billion tonnes of water stored in ponds in Alberta, removing naphthenic acids is one of the largest environmental challenges in Canada," says Tim Leshuk, a PhD candidate in chemical engineering at Waterloo and lead author of this paper. "Conventional treatments people have tried either haven't worked, or if they have worked, they've been far too impractical or expensive to solve the size of the problem. Waterloo's technology is the first step of what looks like a very practical and green treatment method."

From here, the researchers will aim to establish that the resulting water is safe enough to be discharged from large sources, such as tailing ponds.

ENBRIDGE TO HIKE DIVIDEND BY 14%

Rate will be 53 cents per common share

The Enbridge pipeline company says its shareholders will get a 14 per cent increase to their quarterly dividend, starting with the March 1 payment.

The new dividend rate will be 53 cents per common share, up from 46.5 cents.

The Calgary-based company, which operates a pipeline system throughout Canada and the United States, also provided 2016 estimates for cash flow and pre-tax earnings.

It estimates between $4.4 billion and $4.8 billion of adjusted earnings before interest and taxes next year, and between $3.80 and $4.50 per share of available cash flow from operations.

Enbridge also announced in November that it was cutting its workforce in the United States and Canada by five per cent in response to low oil prices.