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OIL PRICES HIT 18-MONTH HIGH AS OPEC OUTPUT DEAL KICKS IN

Oil prices hit 18-month highs on Tuesday, the first trading day of 2017, buoyed by hopes that a deal between OPEC and other big oil exporters to cut production, which kicked in on Sunday, will drain a global supply glut.Benchmark Brent crude jumped more than 2 percent to a high of $58.37, up $1.55 a barrel and its highest since July 2015.U.S. light crude oil hit an 18-month high of $55.24, up $1.52 a barrel, also its highest since July 2015, before slipping to around $54.95.Oil futures exchanges were closed on Monday for New Year public holidays.Jan. 1 marked the official start of a deal agreed by the Organization of the Petroleum Exporting Countries and other exporters such as Russia to reduce output by almost 1.8 million barrels per day (bpd). "First signals suggest the OPEC and non-OPEC production cuts are raising hopes that the global oil oversupply will diminish," said Hans van Cleef, senior energy economist at ABN AMRO Bank N.V. in Amsterdam. Ric Spooner, chief market analyst at CMC Markets, agreed:"Markets will be looking for anecdotal evidence for production cuts," he said. "The most likely scenario is OPEC and non-OPEC member countries will be committed to the deal, especially in early stages."Investors will be watching OPEC very closely to see whether the group's members keep their promises to reduce production: "If 2016 was the year of words, 2017 must be the year of actions," said Tamas Varga, senior oil analyst at London brokerage PVM Oil Associates.Libya, one of two OPEC countries exempt from the output cuts, has increased its production to 685,000 bpd, from around 600,000 bpd in December, an official at the National Oil Corporation said on Sunday.Elsewhere, non-OPEC Middle Eastern oil producer Oman told customers last week that it would cut its crude oil term allocation volumes by 5 percent in March. Non-OPEC Russia's oil production in December remained unchanged at 11.21 million bpd, near a 30-year high, but it was preparing to cut output by 300,000 bpd in the first half of 2017 in its contribution to the accord. Canadian stock futures pointed to a higher opening for the main stock index on hopes that the deal will reduce global supply glut concerns.

BEAR PAW RECEIVES EA APPROVAL FOR NATURAL GAS PIPELINE

Liquefied Natural Gas Ltd (LNG Ltd) has announced that its indirect wholly owned subsidiary, Bear Paw Pipeline Corp. Inc., has received environmental assessment (EA) approval from Nova Scotia Environment for its natural gas pipeline.Bear Paw is proposing to build and operate a pipeline that will stretch 62.5 km from Goldboro to the proposed Bear Head LNG export facility in Point Tupper, Richmond County, Nova Scotia, Canada. The Goldboro to Point Tupper pipeline connects Bear Head LNG to the North American natural gas pipeline network. LNG Ltd claims that expenditures for the construction of the pipeline will only commence following the financial close of the Bear Head LNG project. Greg Vesey, The Managing Director and CEO of LNG Ltd, said: "The environmental assessment approval is an important regulatory component that furthers our goal to be the leader in helping Nova Scotia realise the LNG opportunity that will benefit the province and community."Bear Paw's pipeline is integral to the development of Bear Head LNG. We are putting all the elements in place to develop a successful LNG export facility on Cape Breton Island and the pipeline is a strategic and critical element.

"Bear Head LNG's focus is to provide access to overseas markets for North America's natural gas resources on competitive economics."Bear Head LNG is uniquely positioned to provide liquefaction services to Western Canadian, Northeast US, and offshore Nova Scotia resource owners desiring to sell natural gas to the global LNG market."With initial permitting complete, a premium location providing shorter sailing times to major overseas markets, and through use of LNGL's patented OSMR® technology, a mid-scale, scalable, efficient, and reliable technology that delivers the LNG industry's lowest full cycle cost, Bear Head LNG has significant competitive advantages over competing projects."

CANADIAN COMPANIES HAVEN'T BEEN THIS UPBEAT ABOUT INVESTMENT AND HIRING SINCE BEFORE THE OIL CRASH

Canadian executives are the most optimistic about investment and hiring since the 2014 oil shock, further evidence the country's economy is on the mend.Measures of investment, employment and sales prospects improved, according to the Bank of Canada's Business Outlook Survey. Companies also reported firming input pressures across all regions. Many highlighted the risks of rising protectionism.Monday's readings are another signal Canada's economy may be turning the page on the oil crash that began more than two years ago. Reports Friday from Statistics Canada showed an unexpected surge in full-time employment and the first trade surplus in more than two years.

"You have the economy firing on a number of cylinders here," Paul Ferley, assistant chief economist at Royal Bank of Canada, said by phone from Toronto. Policy makers will "probably suggest that the data is starting to show improvement, but emphasize it's early going yet."That marks a change from a few months ago. In October, Bank of Canada Governor Stephen Poloz cut his growth forecast and said policy makers "actively" discussed the possibility of adding more stimulus as exports and business investment remained subdued. Monday's survey is the Ottawa-based bank's last major publication before Jan. 18, when Poloz and his Governing Council peers will meet to decide interest rates.The balance of opinion between companies expecting to increase investment in machinery and equipment versus those predicting a decline rose to 24 from 18 in the fourth quarter, matching the figure from the second quarter of 2014. The employment balance of 37 and the future sales reading of 26 were also the highest since 2014."Business prospects have improved following two years of overall modest activity," the bank said in its report. "The drag from the oil price shock and related spillovers is gradually dissipating."The quarterly survey is the first to reflect the U.S. election that made Donald Trump the President-elect. Business leaders were split between prospects for American economic growth and the risk of trade protectionism. The U.S. consumes about three quarters of Canada's exports.The share of companies predicting "strong growth" in the U.S. rose to 24 per cent from 15 per cent. Another 70 per cent called for slow growth. The survey didn't give a detailed breakdown on the concern about possible trade protectionism.The figures are a healthy reading for a Canadian economy due for a bigger contribution from business spending, Robert Both, global macro strategist at Toronto-Dominion Bank's TD Securities unit, said by phone. Policy makers "will be reassured that businesses have a bright outlook and Trump isn't weighing too heavily on sentiment," he said. Executives are also paring back expectations for sluggish inflation. The share of respondents who said consumer prices will advance between 1 per cent and 2 per cent over the next two years fell to 66 per cent, from a record 76 per cent in the previous survey. This round of questions covered about 100 executives from Nov. 14 to Dec. 5.