

RBC Dominion Securities Morning Market Commentaries

PORTFOLIO ADVISORY GROUP

Friday, November 06, 2009

CANADIAN EQUITIES

The S&P/TSX Composite Index gained 109.50 points yesterday, or 1.0%, to close at 11,180.70. All ten sectors finished in positive territory led by the Energy, Financials and Materials sectors. The price of oil lost \$0.78/bbl to close at \$79.62 (-1.0%). The price of natural gas gained \$0.06 to close at \$4.782 (+1.2%). The gold spot price lost \$1.90 to close at \$1,090.30 (-0.2%), while the Canadian dollar closed at \$1.0651/USD after losing 0.2%.

The Energy sector was the biggest contributor to the advance with shares of **EnCana (ECA)** and **Talisman (TLM)** gaining 1.8% and 2.5% respectively. In the Financials sector, shares of **Royal Bank (RY)**, **Toronto-Dominion (TD)** and **Bank of Nova Scotia (BNS)** gained 2.5%, 2.9% and 1.4% respectively. In the Materials sector, shares of **Teck Resources (TCK.B)**, **Barrick (ABX)** and **Potash (POT)** gained 4.8%, 1.3% and 1.6% respectively. Notable decliners include **Manulife (MFC)** and **Sun Life (SLF)** which lost 3.5% and 6.5% respectively.

Canadian Unemployment fell by 43,200 versus expectations of a 10,000 job gain. Unemployment rate rose to 8.6% versus 8.5% consensus. Full-time jobs increased 16,500 while part-time jobs fell 59,700.

Suncor (CN) reported adjusted-EPS of \$0.17 versus \$0.28 consensus. Sales of \$5.4 billion versus \$7.2 billion mean consensus. Net income increased to \$873 million from \$766 million last year, reflecting the acquisition of Petro-Canada.

Great-West Lifeco Inc. (GWO) – Q3/09 core EPS of \$0.47 was in line with consensus estimates. The after-tax impact of credit of \$86 million (\$0.09 per share) was higher than anticipated and was almost entirely made up of credit rating downgrades. The company was also impacted by a negative \$15 million (\$0.02) mark-to-market of series D and E preferred shares.

Canadian Natural Resources (CNQ) – was punished amid 3Q CFPS of \$2.78 which fell shy of consensus due to lower Horizon oil sands production.

Goldcorp Inc. (G) reported Q3/09 adj. EPS of \$0.19 vs consensus of \$0.16.

Magna International Inc. (MG.A) reported much better than expected Q3/09 results. North American industry light vehicle production volumes declined 20% to 2.3MM units, and in Europe by 9% to 2.9MM units. North American operating profits showed a dramatic swing from a loss of \$41MM to profit of \$91MM (ex one-time items).

AltaGas (ALA.UN) - Normalized ACFFO/Unit was \$0.62 in Q3/09 compared to \$0.79 in Q3/08.

US & INTERNATIONAL EQUITIES

What moved the market last week...

Equity markets in the U.S. finished the day at session highs with the S&P 500 adding 1.9% on the day while the Nasdaq closed up 2.4%. There still appears to be a lack of conviction behind the rally as investors are hesitant to do any major buying ahead of Friday's non-farm payroll release. The rally in the markets was broad based with the Financial, Technology, Industrials, and Materials sector all adding over 2%. In the Technology Sector the main highlight was shares of **Cisco (CSCO)** which closed up 2.8% after the company reported fiscal Q1 earnings ahead of expectations. **Qualcomm (QCOM)** added 5.4% after the company announced a 15 year licensing deal with Samsung, the world's second largest cell phone producer. In the Financial Sector Shares of **State Street Corp (STT)** outperformed amongst its trust bank peers, surging higher by 5.3%. Shares of **JP Morgan (JPM)** added 3.9% while **Bank of America (BAC)** shares gained 2.9%. On the consumer side shares of **CVS Caremark (CVS)** sustained heavy selling dropping over 20% after the company reported it was losing key contracts in its pharmacy benefit management division. Retail stocks were weak on the day following the release of the October same store sales data which was

weaker than expected. Shares of **Costco (COST)** lagged the broader sector closing up by 1% while shares of **Areopostale (ARO)** sold off 12%.

What happened overnight...

In Europe shares are slightly higher ahead of the U.S. non-farms payroll data. The FTSE 100 index is hovering around the flat line. Shares of **British Airways** are higher by 6.2% after the carrier showed improvements to traffic volumes versus September. Shares of **Allied Irish Bank (AIB)** rose 10% after the lender sold a 5 year bond not covered by a government guarantee.

In Hong Kong the Hang Seng finished higher on the day by 1.6%, while the Shanghai Composite gained 0.3% the indices strongest finish in over three months. In Japan the Nikkei added 0.7%. Shares of **Sony Corp (SNE)** and **Canon (CAJ)** climbed higher by 1.6% and 1.8% respectively. Shares of Pioneer Corp surged higher by 8.9% after the company said it would only need to raise half of the 40 billion yen it had targeted for. **NEC (NIPNF)**, Japan's largest computer maker, advanced 10%.

News...

Calpers was told by a consultant that it was paying uncompetitive rates on foreign-exchange trades some six years before the state of California filed a lawsuit against **State Street Corp. (STT)** over forex pricing, according to the consultant. The state of California lodged a suit against State Street on Oct. 20, claiming the bank secretly overcharged Calpers and sister fund California State Teachers' Retirement System by more than \$56 million in currency trades conducted since 2001. *WSJ*

For the first time since defaulting on government bonds in 1998, Russia is seeking to make a debt offering to reduce its budget deficit. Russia's gold and foreign-currency reserves are sufficient to cover the proposed \$17.8 billion issuance. *NY Times*

Wal-Mart Stores (WMT) extended its holiday price war into new territory Thursday by slashing online prices on 10 hotly anticipated DVDs, including the new Star Trek and Harry Potter releases, to \$10. Within hours, **Amazon.com (AMZN)** and **Target (TGT)** matched some of Wal-Mart's online prices on pre-orders of the DVDs, and Wal-Mart lowered its price by a penny to \$9.99, reprising the scuffle that broke out last month when Wal-Mart launched an aggressive \$10 book promotion. *WSJ*

Microsoft (MSFT) new Windows 7 operating system has been flying off store shelves during its first week of availability, though it's too soon to tell to what extent the software will ignite sales of new personal computers. *WSJ*

FIXED INCOME, CURRENCIES AND COMMODITIES

Rates

Bond prices traded lower on Thursday as investors shifted into riskier assets like equities. Canadian bond yields rose as much as 9bps, but the 10-year was up 5bps to 3.53%. US Treasuries had a more muted response with yields unchanged in the 10-year area at 3.52% though the 5-year yield fell 4bps to 2.34%. Given that we will see the release of both Canadian and US employment data today, it was a surprise that Canadian bond markets moved as much as they did. Part of the reason for the underperformance in Canada bonds was the C\$3.5 billion 10-year auction, which came at a yield of 3.70%. This yield is a significant pickup over the current 10-year benchmark.

This morning, Canadian employment surprised to the downside, losing a total of 43,200 jobs in October compared to a 10,000 gain expected. All of the losses came from the part time sector, so the number is not as bad as it seems on the headline. The unemployment rate rose to 8.6% from 8.4% in September. In contrast to the patterns of recent months, goods-producing industries were the source of the weakness (-37k), over goods producing industries (-6.3k). Within services, the job losses were concentrated in retail and wholesale trade (-30.8k) and "other services" (-19.9k). Private-paid employment (which excludes public sector and the self-employed) fell 45.2k.

Currencies

After three straight days of higher closes, the CAD ended slightly lower on Thursday at C\$1.0658/USD. The USD started yesterday's trading session quite weak but was able to recover some of the losses by the end of the day as investors took profits and positioned for a potential downside surprise on non-farm payrolls. It finished 0.14% lower against Sterling at \$1.6585 and 0.05% lower against the Euro at \$1.4877.

Commodities

Crude oil prices decreased \$0.78/barrel to \$79.62/barrel, falling on speculation that a government report today will show that the US unemployment rate climbed last month, depressing demand for energy products. **Natural gas** prices increased \$0.057/mmbtu to \$4.782/mmbtu as industrial demand starts to pick up in light of a strengthening US economy. **Gold** prices decreased \$1.90/oz to \$1090.30/oz, falling marginally on the day. **Silver** decreased \$0.0500/oz to \$17.4050/oz. **Copper** prices decreased \$74.80/tonne to \$6491.10/tonne, declining as stockpiles monitored by the London Metal Exchange rose by 1.5% yesterday, the highest daily gain since May 11.

CALENDAR OF EVENTS

Key Market Data for the Week (November 2- November 6)							
Date			Time	Period	Actual	Survey	Prior
2-Nov	US	ISM Manufacturing	10:00	OCT	55.7	53	52.6
	US	Pending Home Sales MoM	10:00	SEP	6.10%	0.40%	6.40%
	US	ISM Prices Paid	10:00	OCT	65.0	64	63.5
	US	Construction Spending MoM	10:00	SEP	0.80%	-0.30%	0.80%
	US	Pending Home Sales YoY	10:00	SEP	19.80%	--	12.10%
3-Nov	US	Factory Orders	10:00	SEP	0.90%	1.00%	-0.80%
	US	Total Vehicle Sales	--	OCT	10.45M	9.80M	9.20M
	US	Domestic Vehicle Sales	--	OCT	7.94M	7.40M	6.80M
4-Nov	US	MBA Mortgage Applications	7:00	30-Oct	8.20%	--	-12.30%
	US	ADP Employment Change	8:15	OCT	-203K	-190K	-254K
	US	ISM Non-Manf. Composite	10:00	OCT	50.6	51.6	50.90
	US	FOMC Rate Decision	14:15	4-Nov	0.25%	0.25%	0.25%
5-Nov	CA	Building Permits MoM	8:30	SEP	1.60%	--	7.20%
	CA	Ivey Purchasing Manager Index	10:00	OCT	61.2	58.0	61.7
	US	Nonfarm Productivity	8:30	3Q P	9.50%	0.06	6.60%
	US	Unit Labor Costs	8:30	3Q P	-5.20%	-3.80%	-5.90%
	US	Initial Jobless Claims	8:30	31-Oct	512K	520K	530K
	US	Continuing Claims	8:30	24-Oct	5749K	5805K	5797K
	US						
6-Nov	CA	Unemployment Rate	7:00	OCT	8.60%	8.40%	8.40%
	CA	Net Change in Employment	7:00	OCT	61.20%	10.0K	30.6K
	US	Change in Nonfarm Payrolls	8:30	OCT		-175K	-263K
	US	Unemployment Rate	8:30	OCT		9.90%	9.80%
	US	Change in Manufact. Payrolls	8:30	OCT		-48K	-51K
	US	Average Hourly Earnings MoM	8:30	OCT		0.10%	0.10%
	US	Average Hourly Earnings YoY	8:30	OCT		2.30%	2.50%
	US	Average Weekly Hours	8:30	OCT		33.1	33.00
	US	Wholesale Inventories	10:00	SEP		-1.00%	-1.30%

NUMBER CRUNCHING

Equity Indices	Index Level	Change	Change (%)	MTD (%)	YTD*	2008	2007	2006
S&P/TSX Composite Index	11,180.70	109.50	1.0%	2.5%	24.4%	-35.0%	7.2%	14.5%
S&P/TSX Composite Index TR	29,092.07	129.36	0.4%	1.5%	26.7%	-33.0%	9.8%	17.3%
S&P/TSX Equity Index	11,630.86	113.88	1.0%	2.5%	24.4%	-33.9%	10.2%	20.2%
S&P/TSX Capped Income Trust Index	119.16	1.17	1.0%	2.7%	24.9%	-26.1%	6.6%	-2.9%
Dow Jones Industrial Average	10,005.96	203.82	2.1%	3.0%	14.0%	-31.9%	8.9%	19.0%
S&P 500 Index	1,066.63	20.13	1.9%	2.9%	18.1%	-37.0%	5.5%	15.8%
NASDAQ Composite Index	2,105.32	49.80	2.4%	2.9%	33.5%	-40.5%	9.8%	9.5%
MSCI World	1,128.34	13.01	1.2%	2.0%	22.6%	-42.1%	9.7%	20.7%
MSCI EAFE	1,545.48	6.86	0.4%	0.8%	24.9%	-45.1%	11.8%	27.0%
Dow Jones Euro Stoxx 50	2,434.30	14.29	0.6%	1.0%	16.8%	-45.8%	-4.5%	14.3%
FTSE 100	5,125.64	17.75	0.3%	1.6%	15.6%	-49.5%	7.8%	14.8%
CAC 40 Index	3,708.73	38.40	1.0%	2.8%	15.3%	-45.1%	4.2%	20.9%
DAX Index	5,480.92	36.69	0.7%	1.2%	13.9%	-42.9%	22.3%	22.0%
Nikkei 225	9,717.44	-126.87	-1.3%	-3.2%	9.7%	-28.7%	-10.2%	7.9%
MSCI World TR	3,632.56	37.95	1.1%	0.9%	24.41%	-	-	27.1%
Shanghai Stock Exchange Composite	3,155.05	26.52	0.8%	5.3%	73.28%	-63.0%	97.9%	136.1%

S&P/TSX Sector Performance	Index Level	Change	Change (%)	MTD (%)	YTD*	2008	2007	2006
S&P/TSX Financials	1,502.75	12.69	0.9%	1.7%	32.5%	-36.4%	-1.6%	19.2%
S&P/TSX Energy	2,718.27	26.78	1.0%	1.1%	28.5%	-33.9%	8.2%	6.1%
S&P/TSX Materials	2,934.79	34.11	1.2%	6.8%	29.6%	-26.5%	30.3%	39.8%
S&P/TSX Industrials	1,049.64	12.77	1.2%	4.3%	14.5%	-25.1%	10.5%	14.7%
S&P/TSX Consumer Discretionary	847.37	6.07	0.7%	2.2%	4.7%	-35.4%	4.2%	15.7%
S&P/TSX Telecom Services	692.42	11.75	1.7%	1.2%	-3.9%	-24.8%	19.9%	20.1%
S&P/TSX Information Technology	228.20	1.36	0.6%	-2.9%	26.4%	-54.2%	48.2%	27.3%
S&P/TSX Consumer Staples	1,448.97	10.05	0.7%	2.8%	-0.6%	-6.1%	-5.3%	5.5%
S&P/TSX Utilities	1,517.72	8.85	0.6%	1.0%	0.5%	-20.5%	11.9%	7.0%
S&P/TSX Healthcare	310.14	1.23	0.4%	-0.7%	22.8%	-30.2%	-24.2%	0.7%

Currencies (in Canadian Dollars)	Index Level	Change	Change (%)	MTD (%)	YTD*	2008	2007	2006
US Dollar	1.0661	0.00	0.3%	-1.8%	-14.3%	22.1%	-14.7%	0.3%
Euro	1.5854	0.01	0.4%	-0.7%	-7.5%	16.9%	-4.4%	11.8%
British Pound	1.7675	0.01	0.5%	-1.0%	-0.8%	-10.2%	-13.6%	14.1%
Japanese Yen	1.1747	0.00	0.3%	-2.5%	-14.4%	50.5%	-7.7%	-0.7%

Energy Commodities (US\$)	Index Level	Change	Change (%)	MTD (%)	YTD*	2008	2007	2006
Crude Oil (WTI per barrel)	\$79.62	-0.78	-1.0%	3.4%	78.5%	-55.7%	57.2%	0.0%
Natural Gas (per million btu)	\$4.78	0.06	1.2%	-5.2%	-14.9%	-25.0%	18.8%	-43.9%
3-2-1 Crack Spread	\$4.84	-0.38	-7.2%	-18.5%	-9.1%	-47.0%	49.1%	-39.8%

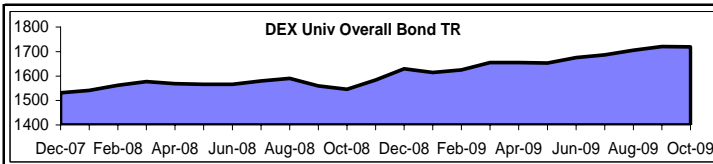
Metal Prices (US\$)	Index Level	Change	Change (%)	MTD (%)	YTD*	2008	2007	2006
Gold (per ounce)	\$1,090.32	0.02	0.0%	4.3%	23.6%	5.6%	31.0%	23.2%
Silver (per ounce)	\$17.38	-0.03	-0.1%	6.6%	52.6%	-23.1%	14.7%	46.4%
Copper (per pound)	\$2.97	0.05	1.8%	#VALUE!	#VALUE!	-56.6%	5.3%	38.9%
Nickel (per pound)	\$8.09	0.04	0.5%	#VALUE!	#VALUE!	-59.2%	-23.6%	154.5%
Aluminum (per pound)	\$0.86	0.01	0.9%	#VALUE!	#VALUE!	-38.1%	-16.7%	24.2%
Zinc (per pound)	\$1.01	0.02	2.2%	#VALUE!	#VALUE!	-51.5%	-45.1%	121.6%

Index	Index Level	Change	Change (%)	MTD (%)	YTD*	2008	2007	2006
DJIA in Cdn\$	10667.30	249.26	2.4%	1.2%	-0.3%	-16.7%	-6.8%	16.6%
S&P 500 in Cdn\$	1137.13	24.87	2.2%	1.2%	3.3%	-22.9%	-9.7%	13.9%
NASDAQ in Cdn\$	2244.47	59.79	2.7%	1.2%	16.8%	-27.2%	-6.0%	9.8%
MSCI World in Cdn\$	1202.92	17.51	1.5%	0.2%	7.3%	-29.1%	-8.3%	18.2%
MSCI EAFE in Cdn\$	1647.63	12.33	0.8%	-0.9%	9.2%	-32.8%	-7.0%	23.8%

S&P 500 Performance	Index Level	Change	Change (%)	MTD (%)	YTD*	2008	2007	2006
Financials	193.32	4.78	2.54%	2.27%	14.53%	-57.0%	-20.8%	16.2%
Health Care	337.04	5.32	1.60%	3.37%	8.93%	-24.5%	5.4%	5.8%
Technology	344.36	7.35	2.18%	2.99%	48.55%	-43.7%	15.5%	7.7%
Industrials	231.69	5.58	2.47%	4.78%	11.81%	-41.5%	9.8%	11.0%
Consumer Discretionary	218.79	5.49	2.57%	3.64%	29.15%	-34.7%	-14.3%	17.2%
Energy	435.18	6.89	1.61%	3.07%	12.64%	-35.9%	32.4%	22.2%
Consumer Staples	269.70	1.56	0.58%	1.41%	9.34%	-17.7%	11.6%	11.8%
Telecom	103.76	1.23	1.20%	0.70%	-7.11%	-33.6%	8.5%	32.1%
Materials	185.21	4.37	2.42%	4.66%	34.61%	-47.0%	20.0%	15.7%
Utilities	146.85	2.43	1.68%	1.87%	-0.73%	-31.5%	15.8%	16.9%

*Index total return data for 2005, 2006, 2007 & 2008 as per RBC CM Quantitative Research, with the exception of S&P/TSX Composite which is simple price return. YTD return data is simple price return. All North American indices in local currency unless otherwise noted,

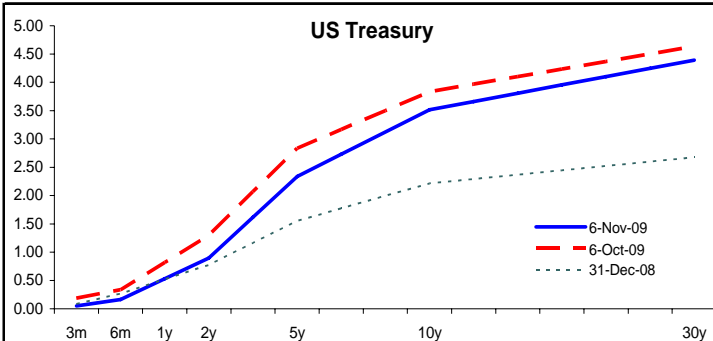
Bond Market



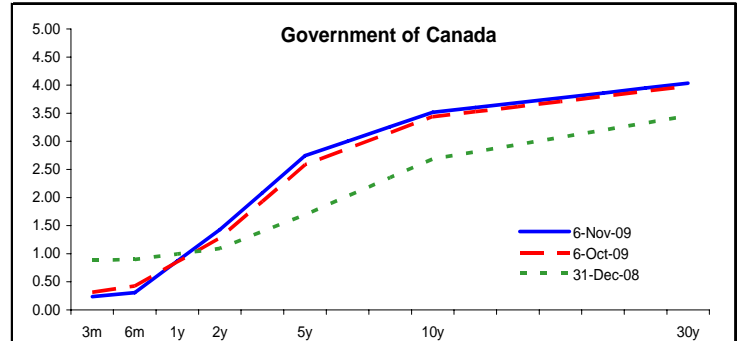
DEX Univ Bond Indices	Value	Month	Quarter	6 Month	YTD	Year
Composite	1359.29	1.13%	3.18%	3.07%	3.80%	8.86%
Short (1-5 Yrs)	1316.53	0.66%	2.70%	3.10%	3.99%	8.72%
Intermediate (5-10 Yrs)	1360.23	1.63%	2.88%	2.86%	3.94%	8.74%
Long (>10 Yrs)	1451.83	1.67%	5.94%	4.88%	4.98%	11.09%

Key Rates	Rate	Next Mtg
Overnight Rate CAN	0.25%	20-Oct
Bank Rate CAN	0.50%	
Prime Rate CAN	2.25%	
Fed Funds US	0-0.25%	4-Nov
Discount US	0.50%	
Prime Rate US	3.25%	

International Yields	O/N	1mo	10-Yr	Next Mtg
United Kingdom	0.50%	0.30%	3.87%	5-Nov
Eurozone	1.00%	0.20%	3.36%	5-Nov
Australia	3.00%	2.30%	5.63%	3-Nov
Japan	0.10%		1.45%	20-Nov



US Treasury Yields	Term	Yield	Chg from Open
TSY 1 31OCT11	2-yr	0.88%	0.007
TSY 2.375 31OCT14	5-yr	2.33%	-0.004
TSY 3.625 15AUG19	10-yr	3.51%	-0.012
TSY 4.5 15AUG39	30-yr	4.39%	-0.013



Government of Canada Yields	Term	Yield	Chg from Open
CAN 1.25 1DEC11	2-yr	1.41%	-0.022
CAN 2 1DEC14	5-yr	2.71%	-0.039
CAN 3.75 1JUN19	10-yr	3.50%	-0.033
CAN 5 1JUN37	30-yr	4.03%	-0.015

Money Market*

GICs	1-yr	2-yr	3-yr	4-yr	5-yr
High	1.55%	2.25%	2.65%	3.10%	3.35%
Average	0.87%	1.74%	2.30%	2.68%	3.04%

	1 mth	2mth	3mth	6mth	1 yr
CDOR	0.40%	0.41%	0.43%	0.64%	0.75%
LIBOR US	0.24%	0.25%	0.27%	0.55%	1.16%

CAD \$1,000,000	1 mth	2mth	3mth	6mth	1 yr
T-Bills	0.12%	0.16%	0.17%	0.25%	0.50%
BAs	0.24%	0.25%	0.26%		
CP	0.20%	0.23%	0.29%		
ABCP	0.50%	0.50%	0.50%		

CAD \$100,000	1 mth	2mth	3mth	6mth	1 yr
T-Bills	-0.06%	-0.02%	-0.01%	0.07%	0.32%
BAs	0.00%	0.01%	0.02%		
CP	-0.04%	-0.01%	0.05%		

US \$1,000,000	1 mth	2mth	3mth	6mth
T-Bills	0.03%	0.01%	0.04%	0.15%
CTBUS	0.05%	0.05%	0.10%	0.26%
GECC	0.16%	0.13%	0.19%	0.26%
ABCP	0.45%	n/a	n/a	

US \$100,000	1 mth	2mth	3mth	6mth
T-Bills	-0.16%	-0.18%	-0.14%	-0.03%
CTB US	-0.13%	-0.13%	-0.08%	0.08%
GECC	-0.08%	-0.11%	-0.05%	0.02%

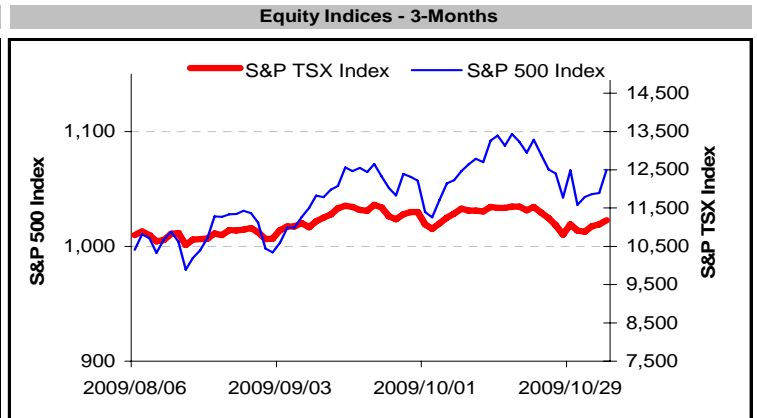
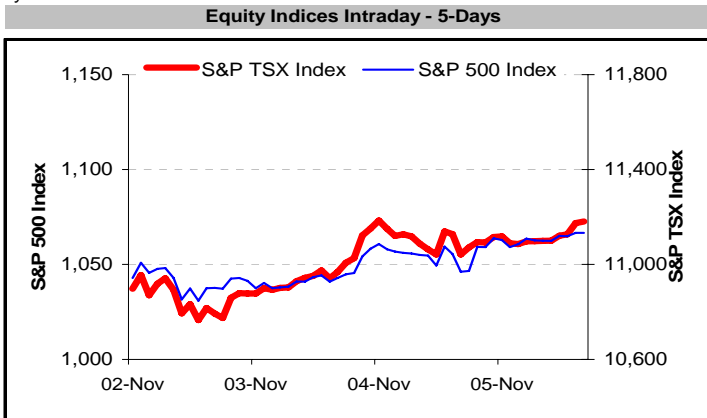
Economic Indicators**

		Actual			Forecast				Actual 2008	Forecast	
		Q209	Q309	Q409	Q110	Q210	Q310	Q410		2009	2010
	Overnight Rate	0.25	0.25	0.25	0.25	0.25	0.75	1.25	1.50	1.00	0.75
	10-Yr Yield	3.38	3.40	3.15	3.35	3.50	3.70	3.85	2.69	2.90	3.60
	Real GDP (est)	(3.20)	2.70	2.80	3.20	3.50	3.50	3.70	0.40	(2.40)	2.50
	Headline CPI (est)	(0.90)	(0.30)	1.20	2.00	1.60	1.70	1.50	2.10	0.40	1.70
	Core CPI (est)	1.80	1.50	1.50	1.10	1.30	1.40	1.40	2.10	1.40	1.30

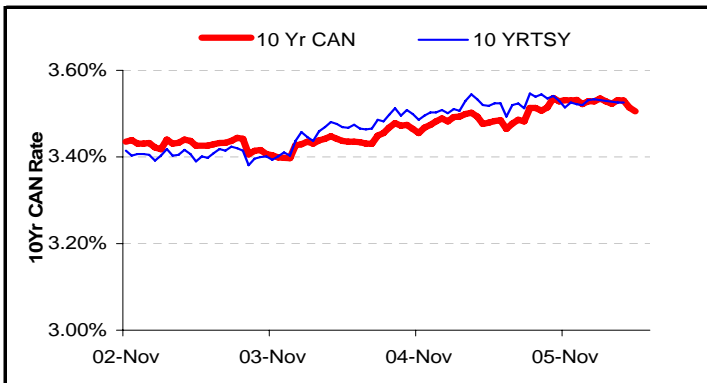
		Actual			Forecast				Actual 2008	Forecast	
		Q209	Q309	Q409	Q110	Q210	Q310	Q410		2009	2010
	Fed Funds	0.25	0.25	0.25	0.25	0.25	0.25	0.50	0.25	0.0	0.50
	10-Yr Yield	3.48	3.30	3.00	3.25	3.50	3.75	3.95	2.22	4.50	3.65
	Real GDP (est)	(1.00)	1.80	2.60	2.60	2.70	2.80	3.10	0.40	(2.90)	2.10
	Headline CPI (est)	(2.10)	(0.80)	1.20	1.80	1.30	1.30	1.10	2.90	(0.60)	1.40
	Core CPI (est)	1.40	1.50	1.30	1.10	1.00	0.90	0.90	2.30	1.50	1.00

*The prices and yields shown are taken from sources we believe to be reliable. They are provided on an indicative basis for information purposes only. Prices and yields are subject to change with availability and market conditions. RBC Dominion Securities does not warrant its completeness or accuracy. This is not an offer or solicitation for the purchase or sale of any securities or financial instruments. Securities or financial instruments mentioned herein may not be suitable for all investors. ** Source: RBC Economics

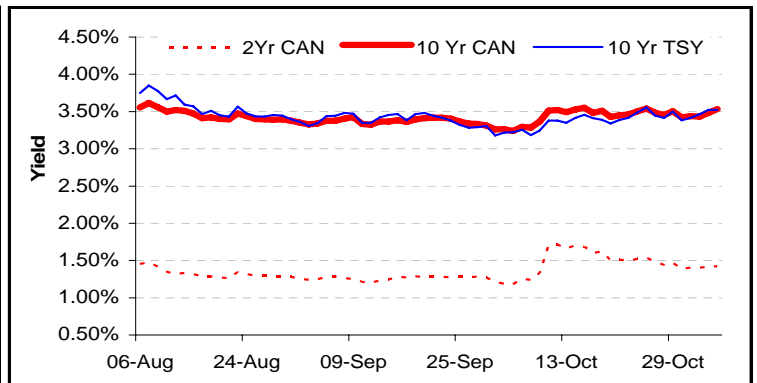
Equity Indices Intraday - 5-Days



10Yr Benchmark Intraday Yields - 5-Days

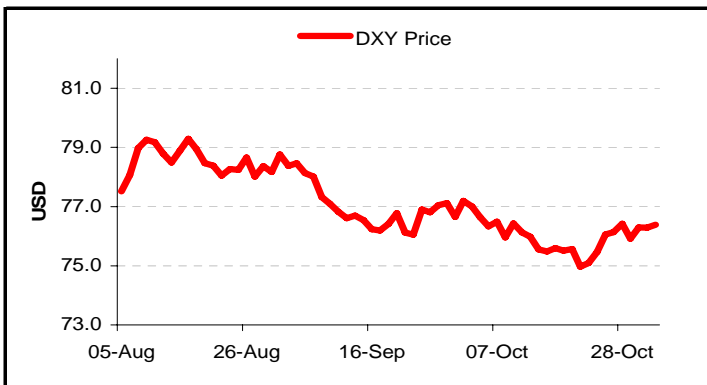


Benchmark Yields - 3-Months

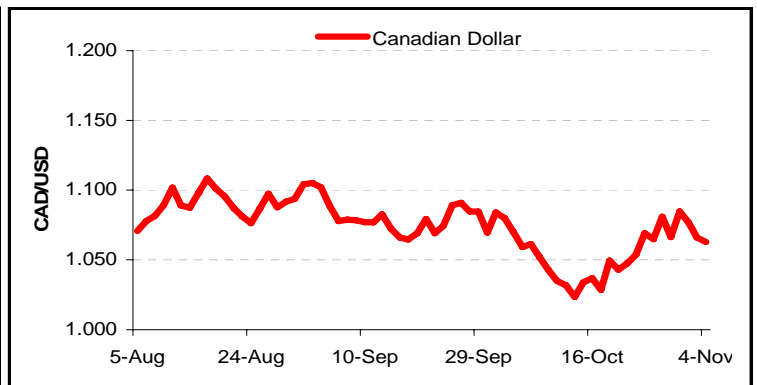


Currencies and Commodities

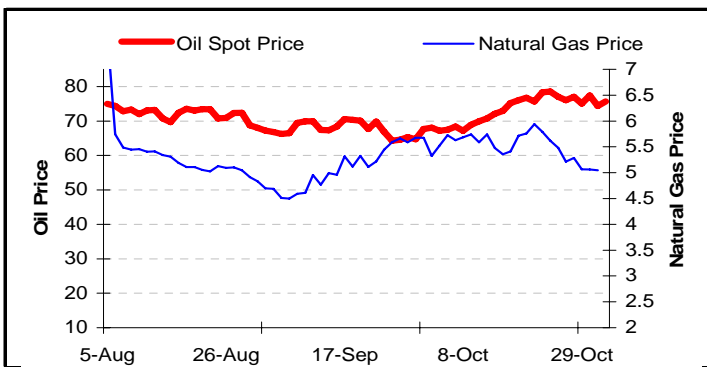
Trade weighted US dollar - 3 Months



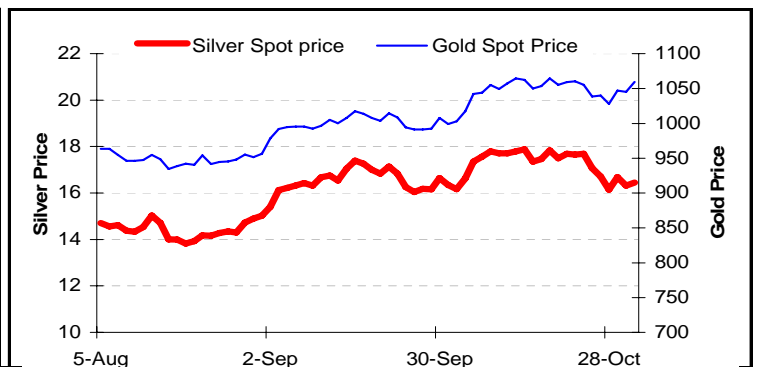
CAD Currency - 3-Months



Oil and Natural Gas Spot - 3 Months



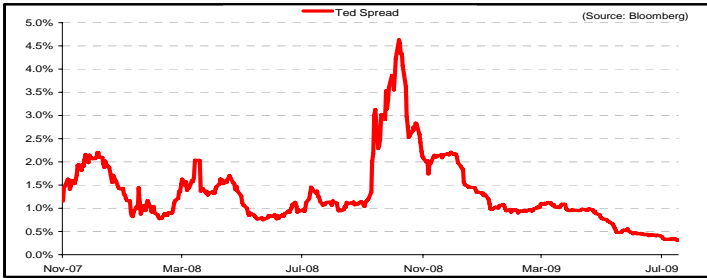
Silver and Gold Spot - 3-Months



Equity Indices Intraday - 5-Days

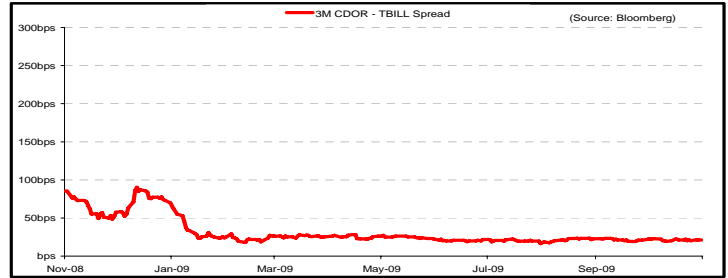
Corporate Credit Spreads

TED Spread



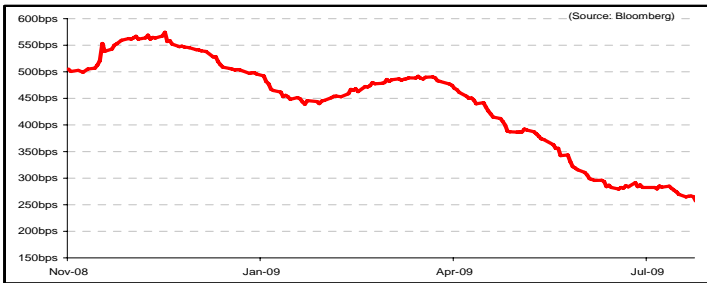
Description: The TED Spread is the difference between the 3-month LIBOR rate, which is a proxy for the rate investors earn on 3-month bank paper, and 3-month T-bills.

3M CDOR - 3M CDN T-BILL



Description: Similar to the TED spread, the spread between CDOR and Canadian T-bills is a gauge of liquidity and risk aversion. CDOR is the average of the dealer's Bankers' Acceptance rates and the spread is a proxy for short-term credit risk.

BAA Corporate Bond Spread



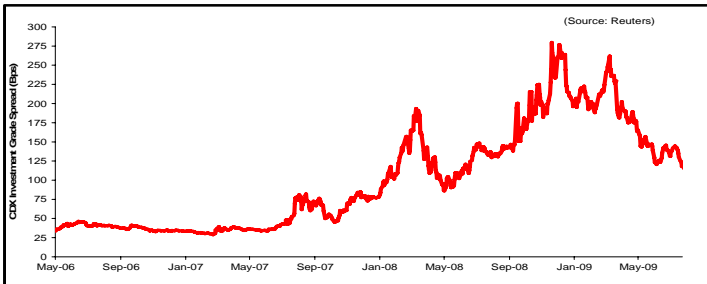
Description: The Moody's Baa bond spread is the average credit spread of a universe of 20+ year Baa corporates.

CDX High Yield 5-Year Spread



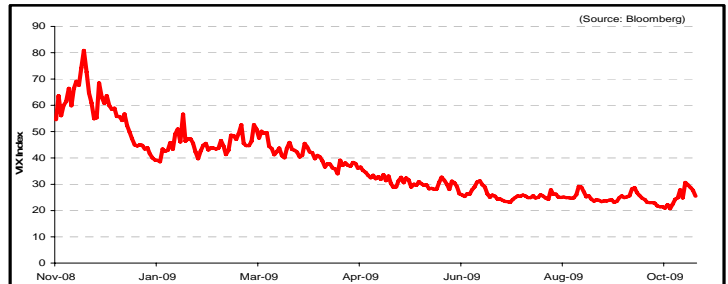
Description: The CDX High Yield index is an index of 100 5-year credit default swaps (CDS) of high yield issuers.

CDX Investment Grade 5-Year Spread



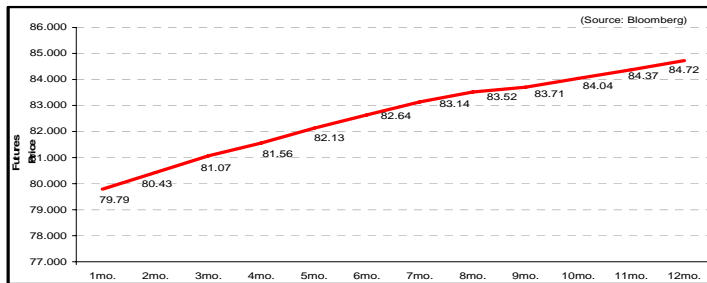
Description: The CDX Investment Grade index is an index of 125 5-year credit default swaps (CDS) of investment grade issuers.

CBOE SPX Volatility Index - "VIX"

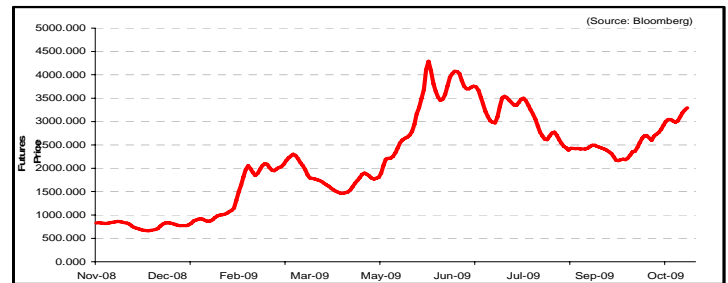


Description: The CBOE Volatility Index (VIX) is a key measure of market expectations of near-term volatility conveyed by S&P 500 stock index option prices.

Crude Oil Futures Curve



Baltic Dry Index



Currency Forward Prices

CAD/USD Forward Prices

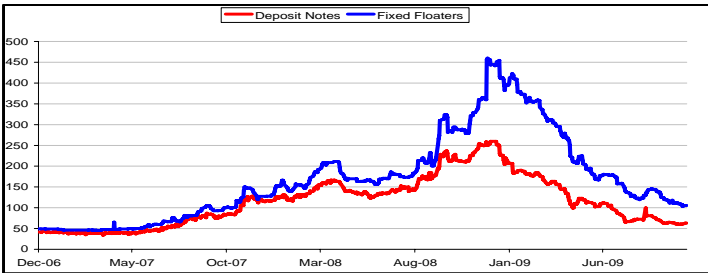
Contract	Forward Price
Spot	1.0662
1 Month	1.0662
2 Month	1.0662
3 Month	1.0662
6 Month	1.0664
12 Month	1.0676

CAD/EUR Forward Prices

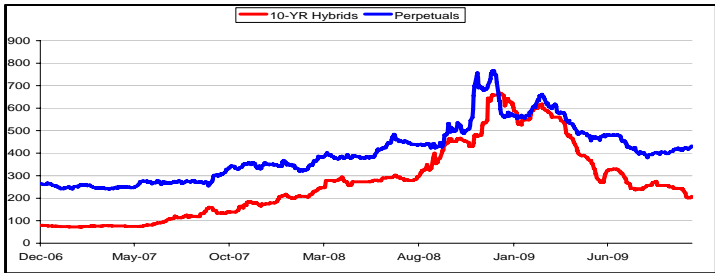
Contract	Forward Price
Spot	1.5859
1 Month	1.5858
2 Month	1.5856
3 Month	1.5854
6 Month	1.5848
12 Month	1.5841

Bank Bond Spreads

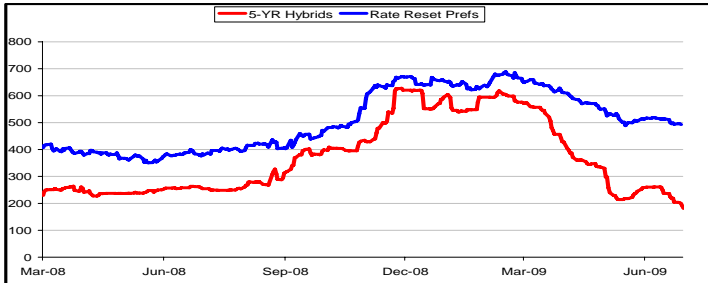
Deposit Notes and Fixed Floaters



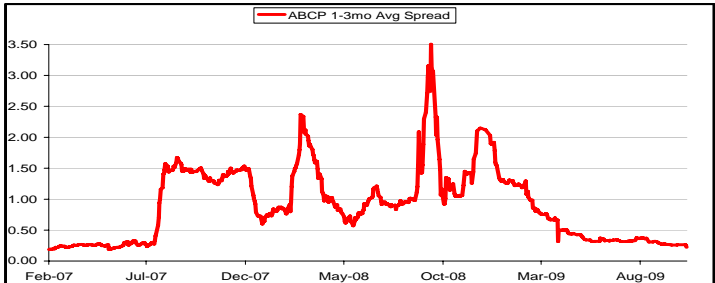
Hybrids & Perpetuals



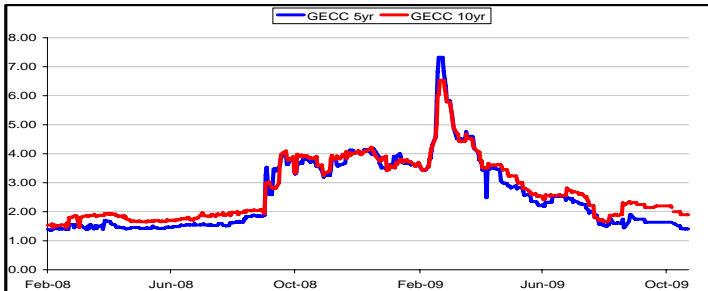
5 Year Hybrids and Rate Reset Prefs



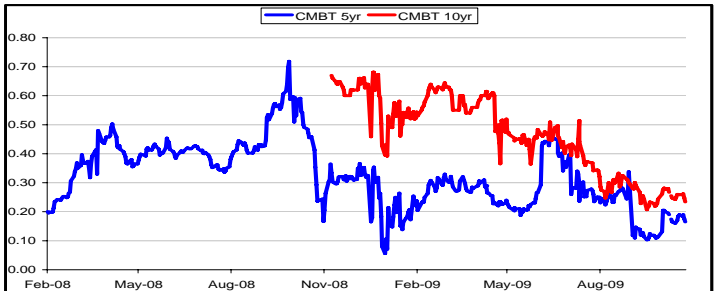
Asset Backed Commercial Paper



GECC

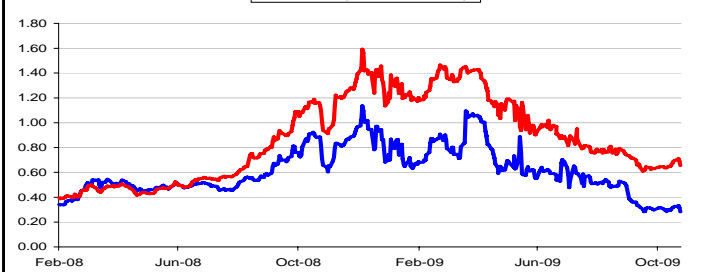


Federal Government Agency Spreads

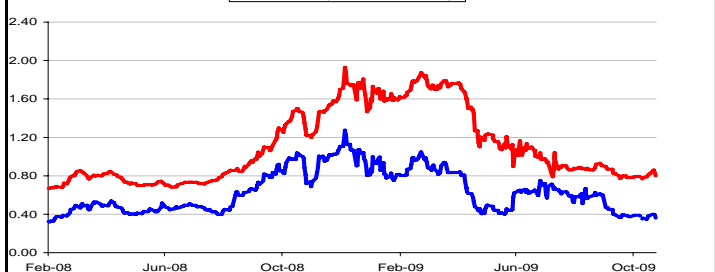


Provincial Spreads

Ontario 5yr - Ontario 10yr

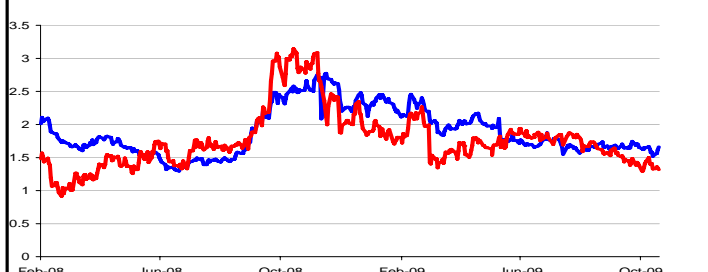


Quebec 5yr - Quebec 10yr

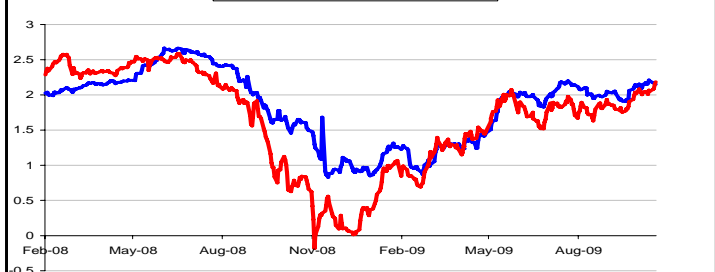


Inflation Protected Government Bonds

RRB 21s Real Yield - 10YR TIPS Real Yield



RRB 21s BEIP - 10YR TIPS BEIP



Real Return Bonds give the investor compensation for inflation. Since investors are compensated for inflation (an unknown value) nominal yields can not be quantified, therefore yields are given on a real basis.

The Break Even Inflation Point (BEIP) is the average rate of inflation over the remaining life of the RRB or TIPS that will result in the investor being indifferent between holding the RRB and the nominal bond equivalent of the same term on a before tax basis. If the average inflation is higher than the BEIP (when the investor bought it) the investor will realize a higher before tax return on the RRB than the nominal bond and vice versa.

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