

| CANADA BENCHMARKS | | | | | |
|-------------------|--------|-----------|--------|-------|-----------|
| TERM | COUPON | MATURITY | PRICE | YIELD | \$ CHANGE |
| 2 YR | 3.750 | 01-Jun-10 | 100.94 | 3.25 | 0.05 |
| 5 YR | 3.500 | 1-Jun-13 | 99.93 | 3.52 | 0.05 |
| 10 YR | 4.000 | 1-Jun-17 | 101.22 | 3.84 | 0.00 |
| 30 YR | 5.000 | 1-Jun-37 | 113.64 | 4.18 | 0.01 |



| US BENCHMARKS | | | | | |
|---------------|--------|-----------|-------|-------|-----------|
| TERM | COUPON | MATURITY | PRICE | YIELD | \$ CHANGE |
| 2 YR | 2.625 | 31-May-10 | 99.49 | 2.89 | 0.01 |
| 5 YR | 3.500 | 31-May-13 | 99.39 | 3.64 | -0.02 |
| 10 YR | 3.875 | 15-May-18 | 97.36 | 4.20 | -0.03 |
| 30 YR | 4.375 | 15-Feb-38 | 93.75 | 4.77 | -0.11 |



FIXED INCOME



| CAD\$ FOREIGN EXCHANGE CROSSES | | | |
|--------------------------------|----------|---------|---------------|
| CROSS | SPOT | CHANGE | CAD Direction |
| USD/CAD | 1.0192 | 0.0002 | - |
| CAD/US | 0.9812 | | |
| EUR/CAD | 1.5791 | -0.0006 | + |
| GBP/CAD | 1.9916 | -0.0019 | + |
| CAD/JPY | 106.0300 | 0.1400 | + |

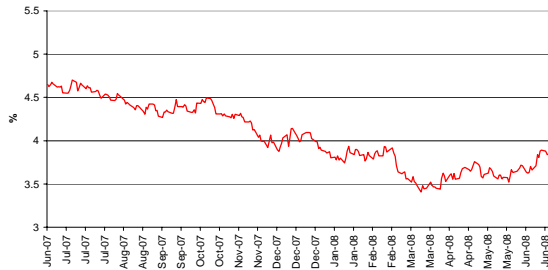
| US\$ FOREIGN EXCHANGE CROSSES | | | |
|-------------------------------|----------|---------|---------------|
| CROSS | SPOT | CHANGE | USD direction |
| EUR/USD | 1.5496 | -0.0009 | + |
| GBP/USD | 1.9538 | -0.0024 | + |
| USD/JPY | 108.1100 | 0.1500 | + |

| NOTABLE QUOTES | |
|----------------|--|
| | |

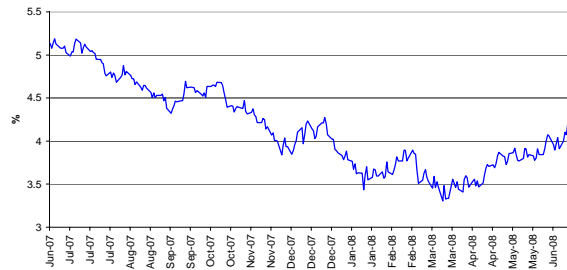


1 Year Charts

Canada Ten Year Yield



US Ten Year Yield



CAD\$



Daily Commentary

The Loonie remains in its painfully range-bound pattern, which hasn't broken since November. After years of volatility, this flatlining stability is something we aren't used to on the trading desk. It is beneficial, however, to companies who have US operations, making their revenue streams much more predictable. As the Bank of Canada and the Federal Reserve have both clearly indicated that they are on hold with overnight target rates, the USD/CAD seems to have found its level.

Is that the true picture though? We look overseas to see the CAD\$ measured in other terms. Over the same period of stability (since early November), look at these returns against the CAD\$:

- Euro + 20%
- Yen + 15%
- Aussie + 12%
- Swiss Franc + 17%
- Brazil Real + 19%
- Mexican peso + 14%
- Only the Pound Sterling lags as much as Loonies and greenbacks have - essentially showing the same flat pattern.

These currency relationships may serve as further evidence of a "decoupling" phenomenon, where worldwide economies are much stronger than our domestic North American field. Simply owning foreign investments has already netted a nice return on currency alone, regardless of the performance of the investment. Watch the BlackBlog for investment ideas to gain exposure to overseas currencies.

Canadian Leading Indicators are out this morning still hovering around the flatline mark at 0.2%, however last month was revised downward to 0.0%. This is not bad news per say, but doesn't herald an immediate recovery for our economy. That's it for data until CPI tomorrow.

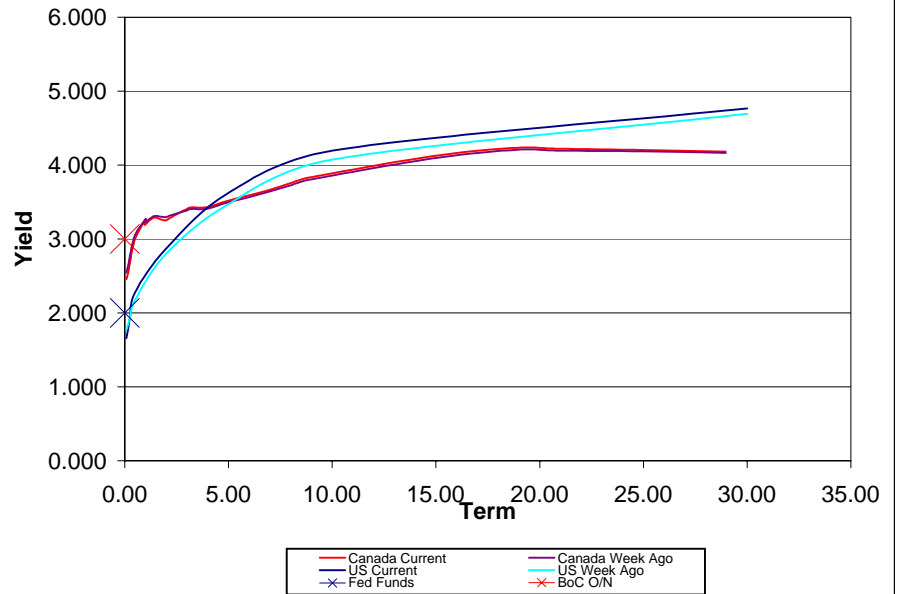
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June 18, 2008

| ECONOMIC NEWS SCHEDULED FOR RELEASE | | | | | | |
|-------------------------------------|---|--------------------------------------|----------|---|--|--|
| Date | CANADA | EST | ACTUAL | US | EST | ACTUAL |
| MON 16 | New Motor Vehicle Sales | 0.0% | 2.6% | Empire Manufacturing Net Long Term TIC flows Total Net TIC flows NAHB Housing Mkt Index | -2.0 \$63.3B \$42.5B | -8.7 \$115.1B \$60.6B 18.00 |
| TUES 17 | Intl Securities Transactions | C\$4.00 | C\$9.751 | Current Account Balance PPI PPI core PPI MoM PPI core MoM Housing Starts Industrial Production ABC Consumer Confidence | -\$172.5B 1.0% 0.2% 6.8% 3.0% 980k 0.1% -45 | -\$176.4B 1.4% 0.2% 7.2% 3.0% 975k -44 |
| WED 18 | Leading Indicators | 0.2% | 0.2% | MBA Mortgage Apps | | -8.8% |
| THURS 19 | CPI MoM CPI YoY CPI core MoM CPI core YoY Wholesale Sales | 0.6% 1.9% 0.3% 1.5% 0.8% | | Philadelphia Fed Leading Indicators Initial Jobless Claims Continuing Claims | -10.0 0.0% 375k 3139k | |
| FRI 20 | Retail Sales Retail Sales less autos Cdn Money Supply | 0.6% 0.6% | | No News | | |

Canada/US Yield Curve



| Other Notable Economic Events | | CDN Money Market | CANADIAN RATES | | | US RATES | | | CANADA-US SPREADS | | | YIELD CURVE SHIFTS | | |
|-------------------------------|--|---|----------------|--------|-----------|----------|-------|--------|-------------------|------------|--------|--------------------|------------------------|------|
| | | Bankers Acceptance | PRIME | 4.75 | PRIME | 5.00 | TERM | BPS | CHANGE | ROLL | SPREAD | CHANGE | | |
| | | 30 Day | BANK RATE | 3.00 | BANK RATE | 3.75 | 3M | 72.5 | 5.7 | 2yr -5yr | 26.8 | 1.4 | TED Spread Week ago | 1.06 |
| | | 60 Day | FED FUNDS | 2 | FED FUNDS | 2 | 2Y | 35.7 | -1.9 | 2yr -10yr | 59.0 | 2.7 | | 0.96 |
| | | 90 Day | DISCOUNT | 2.25 | DISCOUNT | 2.25 | 5Y | -11.9 | -1.7 | 2 yr -30yr | 93.5 | 2.7 | | |
| | | indication only - actual rates may vary | LIBOR 3M | 2.8025 | LIBOR 3M | 2.8025 | 10Y | -36.3 | -0.1 | 5yr -10yr | 32.2 | 1.3 | | |
| | | | | | | 30Y | -58.8 | -116.0 | 10yr -30yr | 34.5 | 2.7 | | | |