

Fixed Income Snapshot

June 24, 2008

CANADA BENCHMARKS					
TERM	COUPON	MATURITY	PRICE	YIELD	\$ CHANGE
2 YR	3.750	01-Jun-10	100.81	3.32	-0.02
5 YR	3.500	1-Jun-13	99.94	3.51	0.04
10 YR	4.000	1-Jun-17	101.55	3.79	0.20
30 YR	5.000	1-Jun-37	114.72	4.12	0.42



US BENCHMARKS					
TERM	COUPON	MATURITY	PRICE	YIELD	\$ CHANGE
2 YR	2.625	31-May-10	99.43	2.93	0.04
5 YR	3.500	31-May-13	99.53	3.60	0.12
10 YR	3.875	15-May-18	97.77	4.15	0.11
30 YR	4.375	15-Feb-38	95.05	4.69	0.28



FIXED INCOME

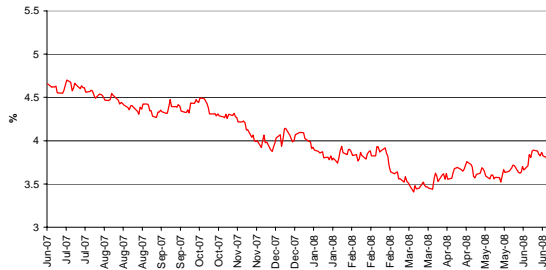


CAD\$ FOREIGN EXCHANGE CROSSES				US\$ FOREIGN EXCHANGE CROSSES				NOTABLE QUOTES
CROSS	SPOT	CHANGE	CAD Direction	CROSS	SPOT	CHANGE	USD direction	
USD/CAD	1.0163	0.0007	-	EUR/USD	1.5563	0.0046	-	
CAD/US	0.9840			GBP/USD	1.9672	0.0023	-	
EUR/CAD	1.5815	0.0058	-	USD/JPY	107.9000	0.0500	+	
GBP/CAD	1.9996	0.0040	-					
CAD/JPY	106.1000	-0.0400	-					

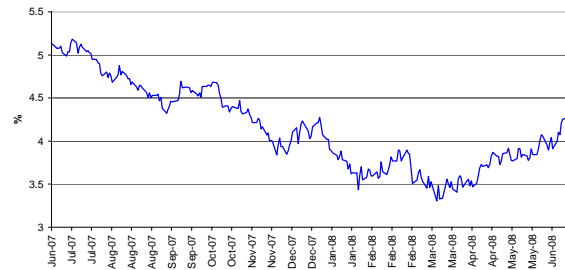


1 Year Charts

Canada Ten Year Yield



US Ten Year Yield



CAD\$



Daily Commentary

Yesterday's action in the bond world was very slow. We were expecting some more action out of the Bell bonds, but saw very little. Prices were marked down as expected. We are closely watching the **Bell 6.25% 4/12/2012**, which are currently trading about 97.00 on the offered side. As a four year "income earner", the yield of 7.16% is attractive, and we would not be significantly worried about Bell's ability to pay during that time.

Yesterday's massive rally in CAD\$ was little noticed or felt, as we kept pace with greenbacks (our main counterparty). However, we were up a full Euro penny, and 1.2 pence and gold dropped significantly. We are giving up some of those gains this morning, but they mostly stand.

As the Fed decision looms tomorrow, it is worth noting the market's expectations of rates according to Fed Funds futures. While we won't see any movement tomorrow, all of Bernanke's hawkish talk has led the curve to slope upwards considerably since a month ago. While 2.00% is very low, we would caution those that think swift rate hikes are coming. This economy appears to be very weak (we will learn a little more from the numbers this week). The Fed does not NEED to move. We could see an environment here that justifies flat overnight rates, and the bond market will take care of the inflation expectations (as it has with a quickly steepening yield curve).

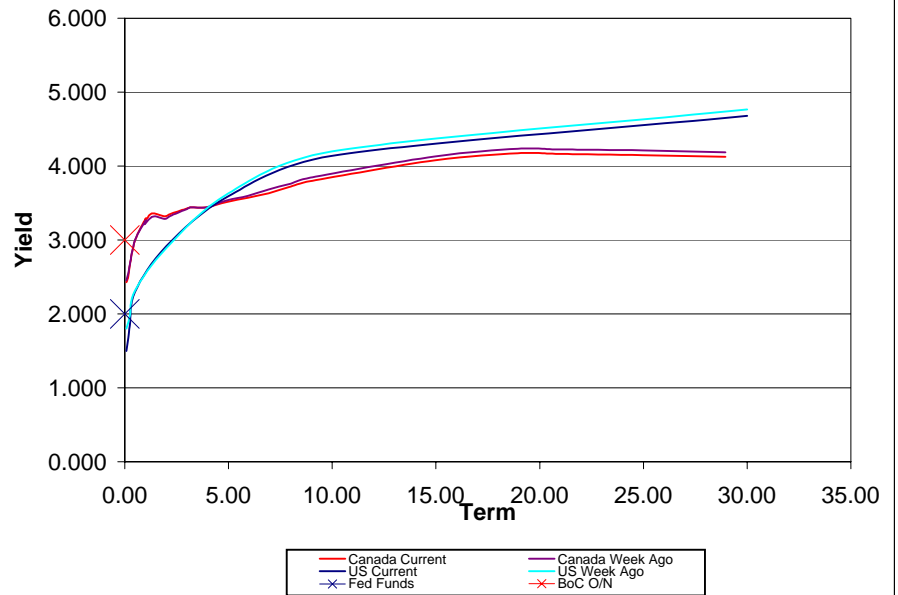
This report is provided for your information only. Although every effort has been made to ensure the information presented is correct, we do not guarantee its accuracy. For internal use only

The statements and statistics contained herein have been prepared by sources we believe to be reliable but we cannot represent that they are complete and accurate. This material is published for general information only. BCI assumes no liability for financial decisions based on this information. Readers should obtain professional advice before applying any ideas mentioned to their own personal situation to ensure their individual circumstances have been properly considered. Blackmont Capital Inc. is a member of CIPF and IDA.

June 24, 2008

ECONOMIC NEWS SCHEDULED FOR RELEASE						
Date	CANADA	EST	ACTUAL	US	EST	ACTUAL
MON 23	Canadian Money Supply		8.0%	No News		
TUES 24	No News			S&P/CS Home Px Index Consumer Confidence Richmond Fed House Price Index	-15.9% 56.20 -6 -0.5%	
WED 25	No News			ABC Consumer Confidence MBA Mortgage Apps Durable Goods Durable ex-transport New Home Sales New Home Sales MoM Fed Rate Decision	-45 0.0% -0.9% 512k -2.7% 2.0%	
THURS 26	No News			GDP QoQ (annualized) Personal Consumption GDP Price Index Core PCE Help Wanted Existing Home Sales Existing Home Sales MoM Initial Jobless Claims Continuing Claims	1.0% 1.0% 2.6% 2.1% 19.00 4.96M 1.3% 377k 3120k	
FRI 27	Industrial Product Prices Raw Materials Prices	1.2% 5.0%		Personal Income Personal Spending PCE Deflator PCE Core PCE Core YoY U Mich Confidence	0.4% 0.7% 3.2% 0.2% 2.1% 56.80	

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 3M 79.1 3.5	ROLL 2yr -5yr 19.8 0.5	
	30 Day 2.97	BANK RATE 3.00	BANK RATE 3.75	FED FUNDS 2 2Y 38.9 1.1	SPREAD 2yr -10yr 47.8 0.7	
	60 Day 3.02		DISCOUNT 2.25 5Y -6.8 4.0	DISCOUNT 2 yr -30yr 80.9 0.5		
	90 Day 3.11		LIBOR 3M 2.8094 10Y -35.4 1.3	LIBOR 5yr -10yr 28.0 0.2		
	Indication only - actual rates may vary			LIBOR 10yr-30yr -55.9 -113.0	LIBOR 10yr-30yr 33.1 0.7	
						TED Spread Week ago 1.15 1.07

