

CANADA BENCHMARKS					
TERM	COUPON	MATURITY	PRICE	YIELD	\$ CHANGE
2 YR	2.750	01-Dec-10	101.59	1.96	0.04
5 YR	3.500	1-Jun-13	103.06	2.78	0.02
10 YR	4.250	1-Jun-18	104.00	3.75	-0.05
30 YR	5.000	1-Jun-37	112.50	4.24	-0.10

US BENCHMARKS					
TERM	COUPON	MATURITY	PRICE	YIELD	\$ CHANGE
2 YR	1.500	31-Oct-10	100.34	1.33	0.02
5 YR	2.750	31-Oct-13	101.23	2.48	0.09
10 YR	4.000	15-Aug-18	102.47	3.70	0.05
30 YR	4.500	15-May-38	105.50	4.17	-0.14

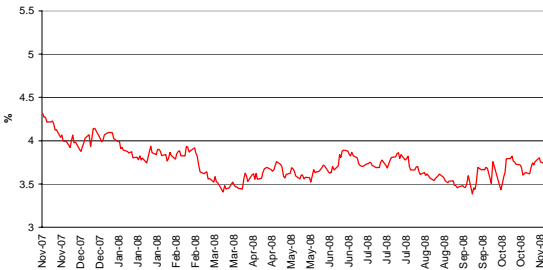


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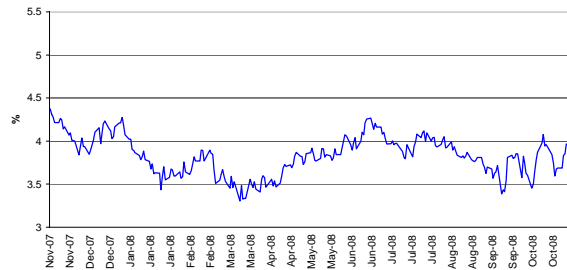
CAD\$ FOREIGN EXCHANGE CROSSES				US\$ FOREIGN EXCHANGE CROSSES				NOTABLE QUOTES
CROSS	SPOT	CHANGE	CAD Direction	CROSS	SPOT	CHANGE	USD direction	
USD/CAD	1.1625	-0.0050	+	EUR/USD	1.2841	-0.0134	+	
CAD/US	0.8602			GBP/USD	1.5937	0.0023	-	
EUR/CAD	1.4915	-0.0218	+	USD/JPY	97.9300	-0.3500	-	
GBP/CAD	1.8540	-0.0057	+					
CAD/JPY	84.1600	0.0700	+					

1 Year Charts

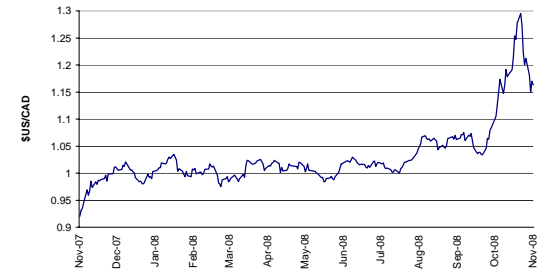
Canada Ten Year Yield



US Ten Year Yield



CAD\$



Daily Commentary

It's slash and burn time. Rates are dropping even further as the **ECB** and the **Bank of England** both cut this morning, but 50 and **150 bps** respectively. We've argued before that these two centrals were being overly stubborn in their view on inflation. Well, now they are playing catch up in the midst of the worst markets and economies in years (possibly decades). The BoE now stands at 3.00%, and the ECB 3.25%. We have three words to add here: **MORE TO COME**. **The Swiss** followed suit, and not even on a scheduled policy date, dropping 50 bps to 2.00%

The surprise of the morning is massive improvement in **Ontario** credit overnight. Take the 5 year new issue that came out Tuesday at 117 bps over Canada 5's (with commission built in). They are now trading at 100 over the Canadas, which are also improved by 10 bps. Congrats to those that picked it up. This is another example of "yield doesn't always equal return". **Canada Housing Trust** bonds are showing similar action, while the action in corporate credit is a little more muted. Perhaps the corporates are being held back by news from **Wells Fargo & Co**, who after the close announced a \$10 billion stock offering to pay for the Wachovia purchase. It should be no surprise, they announced they would raise as much as \$20 yards, but the market never likes dilution.

In currencies, running to quality is back to being front-burner. Greenback and Yen are moving higher at the expense of all others, including the Loonie. We saw a **BIG** reversal in the CAD\$ yesterday. After rallying almost four cents, it closed two pennies off its highs as the equity markets sold off in the afternoon.

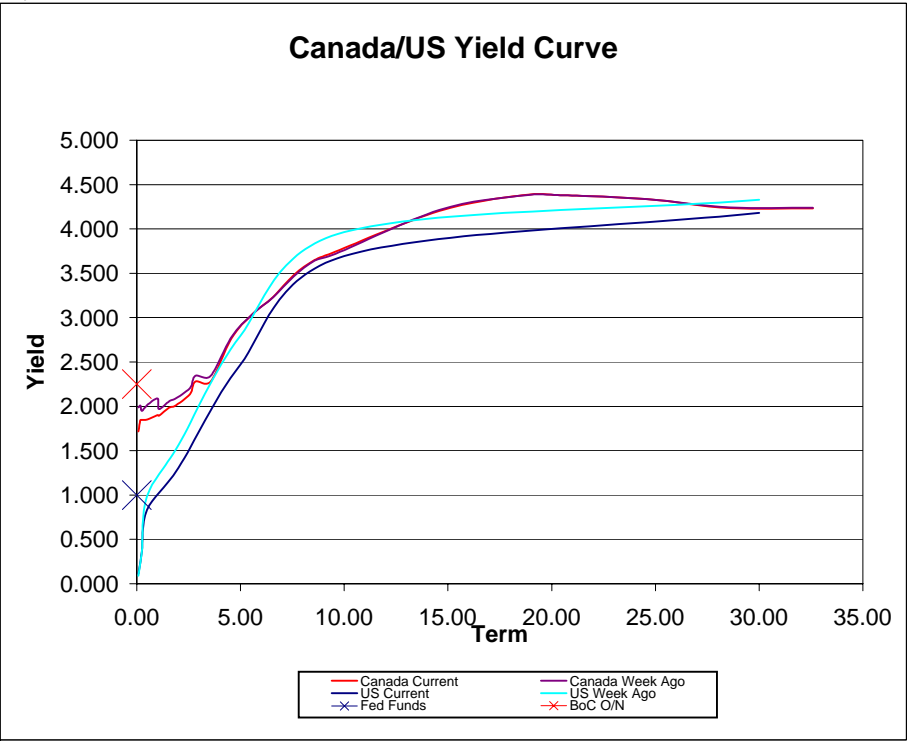
Initial Jobless Claims printed at a heavy 481,000 this week. I've lost count on how many weeks we've been north of 400k on this number, but more importantly, **it has been rising almost every week**. **Continuing Claims** are showing a similar, brutal pattern. See the chart below of continuing claims, going back to 1980.

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November 6, 2008

ECONOMIC NEWS SCHEDULED FOR RELEASE						
Date	CANADA	EST	ACTUAL	US	EST	ACTUAL
MON 3	No News			Dom Vehicle Sales Total Vehicle Sales ISM Manufacturing ISM Prices Paid Construction Spending	9.1M 12.0M 41.50 48.00 -0.8%	7.9M 10.6M 38.90 37.00 -0.3%
TUES 4	No News			Factory Orders	-1.0%	-2.5%
WED 5	No News			ABC Consumer Confidence MBA Mortgage Apps Challenger Job cuts ADP Employment Change ISM Non-Manufacturing		-48 -20.3% 78.9% -100k 44.40
THURS 6	Building Permits Ivey Purch Mngtr Index	-1.0% 55.00	13.4%	Nonfarm Productivity Unit Labor Costs ICSC Chain Store Sales	0.9% 2.9% 0.7%	1.1% 3.6%
FRI 7	Unemployment Rate Net Change in Employment	6.2% -10.0k		Initial Jobless Claims Continuing Claims Chg Nonfarm Payrolls Unemployment Rate Chg Manufacturing Payrolls Avg Hourly Earnings Avg Hourly Earnings YoY Avg Weekly Hours Wholesale Inventories Consumer Credit	477k 3745k -200k 6.3% -62k 0.2% 3.5% 33.60 0.3% -\$0.4B	481k 3843k



Other Notable Economic Events		CDN Money Market	CANADIAN RATES	US RATES	CANADA-US SPREADS	YIELD CURVE SHIFTS	
		Bankers Acceptance	PRIME 4.00	PRIME 4.00	TERM 3M 149.0 5.6	ROLL 2yr -5yr 83.1 1.3	
		30 Day 2.33	BANK RATE 2.25	BANK RATE 2.75	5Y 29.6 0.8	SPREAD 2yr -10yr 178.0 1.9	
		60 Day 2.34		FED FUNDS 1	10Y 5.3 1.0	CHANGE 2 yr -30yr 29.0 2.9	
		90 Day 2.36		DISCOUNT 1.25	30Y 5.9 12.9	10yr-30yr 50.1 1.0	
		Indication only - actual rates may vary		LIBOR 3M 2.3875			TED Spread Week ago 2.63 4.12

Continuing Jobless Claims back to 1980

INJCSP Last 3843K OCT 25 Next 11/13/08 08:30 Surv -- Index **GP**
 US Continuing Jobless Claims SA



Australia 61 2 9777 8600 Brazil 5511 3048 4500 Europe 44 20 7330 7500 Germany 49 69 9204 1210 Hong Kong 852 2977 6000
 Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2008 Bloomberg Finance L.P.
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