

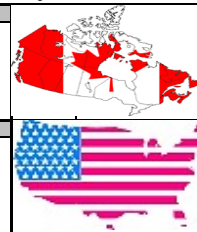


Fixed Income Snapshot

July 4, 2007

CANADA BENCHMARKS				
TERM	COUPON	MATURITY	PRICE	YIELD
2 YR	3.750	01-Jun-09	98.46	4.61
5 YR	3.750	1-Jun-12	96.43	4.57
10 YR	4.000	1-Jun-16	95.85	4.57
30 YR	5.750	1-Jun-33	119.05	4.50

US BENCHMARKS				
TERM	COUPON	MATURITY	PRICE	YIELD
2 YR	4.875	30-Jun-09	99.98	4.88
5 YR	4.875	30-Jun-12	99.71	4.94
10 YR	4.500	15-May-17	95.78	5.05
30 YR	4.750	15-Feb-37	94.11	5.14



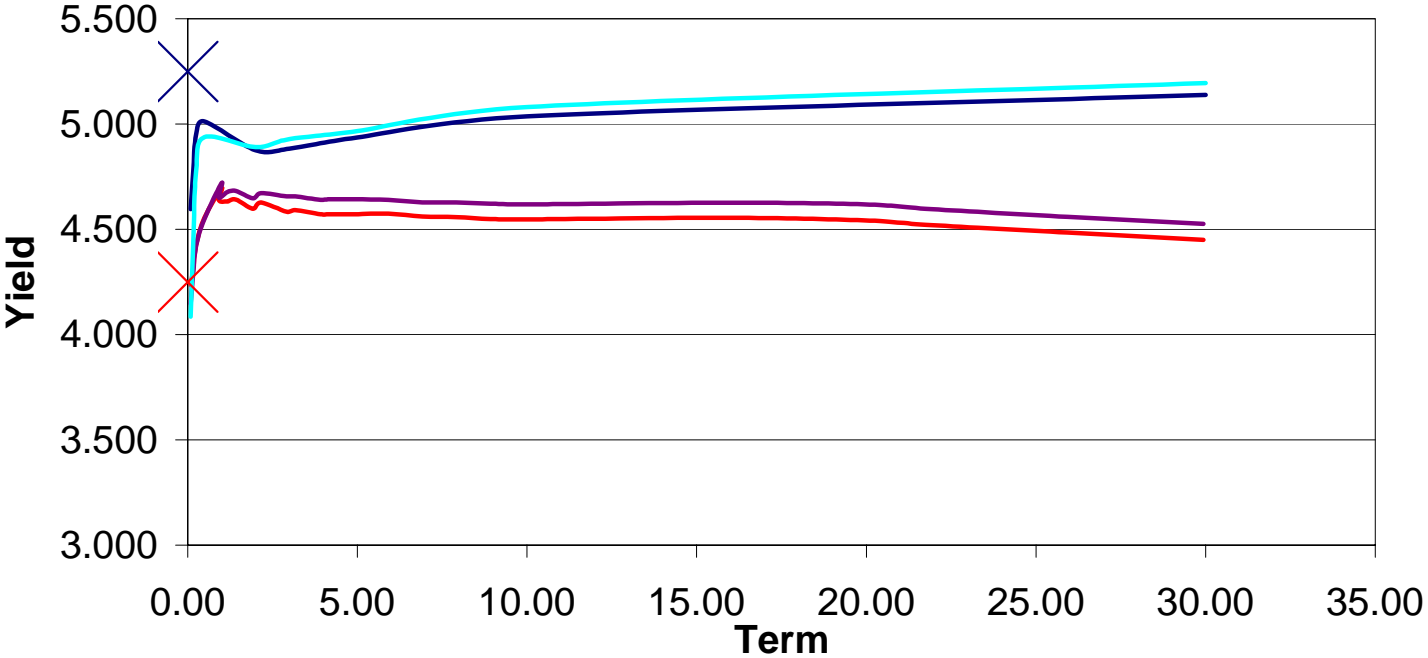
FOREIGN EXCHANGE			CANADIAN RATES		US RATES		CANADA-US SPREADS			YIELD CURVE SHIFTS		
CROSS	SPOT	CHANGE	PRIME	BANK RATE	PRIME	BANK RATE	TERM	BPS	CHANGE	ROLL	SPREAD	CHANGE
CAD/US	1.0585		6.00	4.25	8.25	7.00	3M	-53.0	-0.5	2 yr -30yr	10.8	0.0
US/CAD	0.9447				5.25	5.25	2Y	-27.8	1.3	2yr -5yr	-3.4	0.4
YEN/US	122.4900						5Y	-37.0	1.1	5yr-10yr	0.1	0.8
GBP/US	2.0164						10Y	-47.6	1.8	10yr-30yr	-7.5	1.2
							30Y	-64.2	-129.0	2yr-10yr	-3.3	1.2

ECONOMIC NEWS SCHEDULED FOR RELEASE							Daily Comment
CANADA		EST	ACTUAL	US	EST	ACTUAL	
MON 2	No News			ISM Manufacturing ISM Prices Paid	55.00 69.10	56.00 68.00	<p>With a lack of hard data out today, we'll turn to technicals and take a look at the charts of the bond markets. The 10yr treasury has rallied smartly back to the 5% level that was given during early June's selloff. It's failure to sustainably break through that level yesterday should be taken as a somewhat bearish sign, now that it has "filled in the gap" left by the huge decline of June 7th. (see chart pg 3). Looking longer term, it appears the market is still somewhat oversold, but is now trading within its 1st standard deviation (measured since the 50 year low yields of 2003) (Chart pg 4).</p> <p>In a bigger picture, we are still expecting range-bound trading for the foreseeable future. With no clear indication of the future direction of fed funds, we look to the data for any indications. The sub-par growth of the economy is being offset by somewhat sticky inflation numbers that the Fed is worried about. The economy refuses to drop into recession territory to this point, however. For this reason, until the outcome of this tug-of-war is over, we'd recommend taking conservative positions in the 3-5 year area of the curve.</p> <p>While we see inflation remaining benign until the housing slowdown has played itself out (and there's plenty more pain to come...), certain shocks here and there could hurt the longer end of the curve. In Canada, where our curve is still inverted somewhat, peak yield is around the 1 year mark. We'd expect that to normalize as the market sees further out, with inflation concerns creeping into the very long end of the curve and yields out there reflecting a proper term premium.</p>
TUES 3	No News			Pending Home Sales Factory Orders ABC Consumer Confidence Total Vehicle Sales Domestic Veh. Sales	0.5% -1.2% -12 16.3M 12.4M	-3.5% -0.5% -7 15.6M 11.8M	
WED 4	No News			No News			
THURS 5	Building Permits IVEY PMI	5.5% 61.80		MBA Mortgage Applic'ns Challenger Job Cuts ADP Employment Chg ISM Non-Manufacturing	100k 58.0		
FRI 6	Unemployment Rate Net Chg in employment	6.1% 17.5k		Initial Jobless Claims Continuing Claims Personal Income Personal Spending PCE Deflator YoY PCE Core MoM PCE Core YoY Chicago PMI Construction Spending U Mich Confidence	315k 2503k 0.6% 0.7% 2.3% 0.1% 1.9% 58.00 0.1% 84.00		

Reminder that the US\$ bond markets will be closed today.



Canada/US Yield Curve



GRAB

Index **GPO**

At 08:00 Op 5.037 Hi 5.037 Lo 5.037

USGG10YR INDEX

Hide

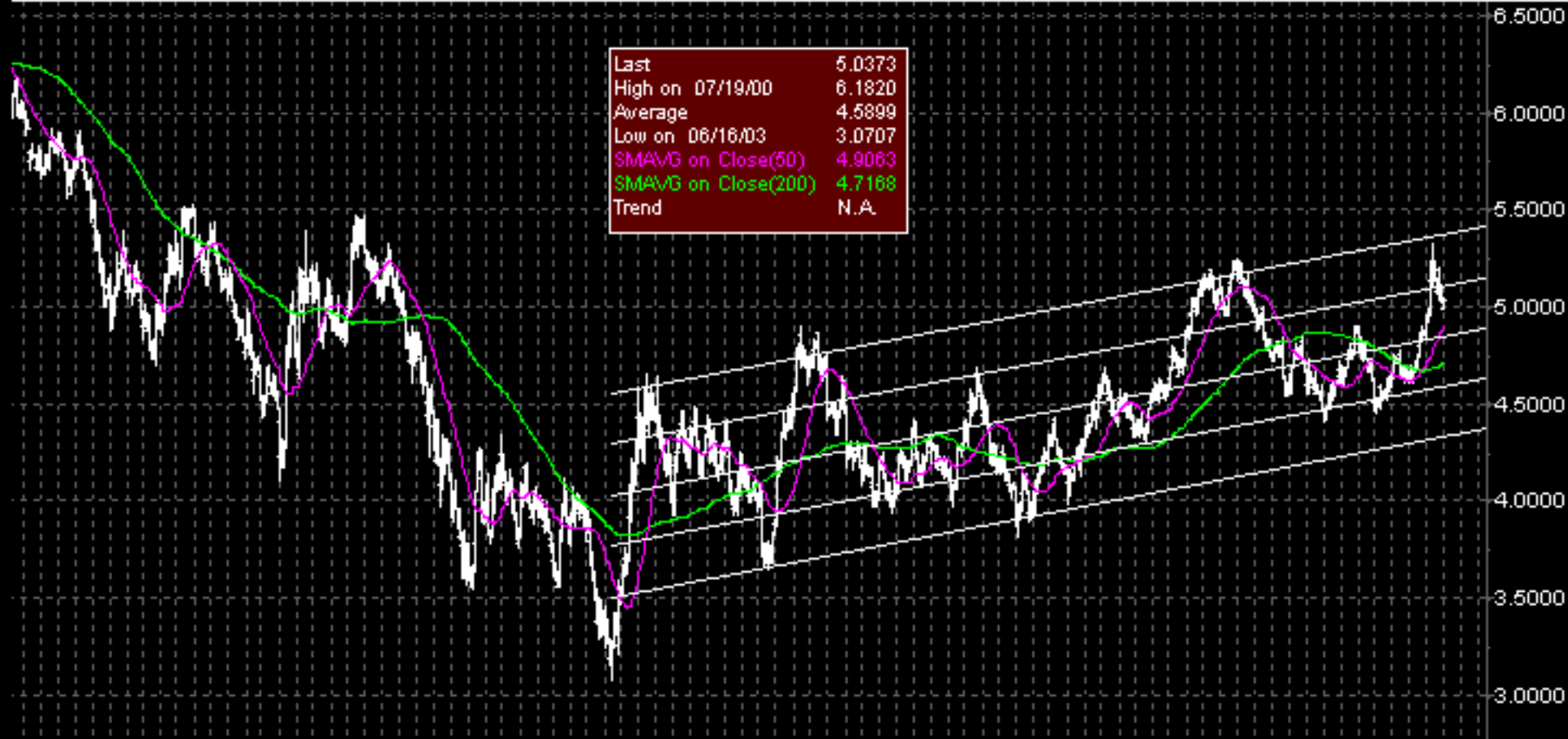
GPO - Bar Chart

Page 1/123

Range - Upper Mov. Avgs

Period

Last	5.0373
High on 07/19/00	6.1820
Average	4.5899
Low on 06/16/03	3.0707
SMAVG on Close(50)	4.9063
SMAVG on Close(200)	4.7168
Trend	N.A.



2000	2001	2002	2003	2004	2005	2006	2007
------	------	------	------	------	------	------	------

Australia 61 2 9777 8600 Brazil 5511 3048 4500 Europe 44 20 7330 7500 Germany 49 69 920410
 Hong Kong 852 2977 6000 Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2007 Bloomberg L.P.
 H017-1126-1 04-Jul-07 8:14:25