





Fixed Income Snapshot August 20, 2007

CANADA BENCHMARKS				
TERM	COUPON	MATURITY	PRICE	YIELD
2 YR	3.750	01-Jun-09	99.24	4.20
5 YR	3.750	1-Jun-12	97.56	4.32
10 YR	4.000	1-Jun-17	96.58	4.43
30 YR	5.000	1-Jun-37	108.83	4.46



US BENCHMARKS				
TERM	COUPON	MATURITY	PRICE	YIELD
2 YR	4.625	31-Jul-09	100.82	4.18
5 YR	4.625	31-Jul-12	101.20	4.35
10 YR	4.750	15-Aug-17	100.64	4.67
30 YR	5.000	15-May-37	100.25	4.98




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	1.0564		6.25	4.50	8.25	7.00	3M	51.8	1.6	2 yr -30yr	26.6	0.9
US/CAD	0.9466						2Y	1.5	1.6	2yr -5yr	12.0	-0.3
YEN/US	115.1100					FED FUNDS	5Y	-3.6	1.3	5yr-10yr	11.9	1.9
GBP/US	1.9883						10Y	-23.5	4.3	10yr-30yr	2.7	1.6
							30Y	-52.3	-108.0	2yr-10yr	23.9	1.6

ECONOMIC NEWS SCHEDULED FOR RELEASE						Daily Comment
CANADA		EST	ACTUAL	US		
				EST	ACTUAL	
MON 20	No News			Leading Indicators	0.4%	<p>After last week's turbulence, today's market action so far is tepid to say the least. US Treasuries are unchanged while Canadas have retreated fractionally. Canadian ten year bonds have narrowed to minus twenty five basis points to the Treasuries. In fact, Canadian yields have moved higher than Treasuries at 2 and 3 years and are equal at 5 years. Also the yield curve is steep in the US, at 50 basis points from 2 to 10 years compared to just 20 bps here for the same term.</p> <p>Another shoe dropped this morning as National Bank decided to make whole the investors in its ABCP, announcing that it is buying back \$ 2 billion of ABCP owned by its mutual funds and customers.</p> <p>The money market remains very tense, especially when company after company reveals the extent of their involvement in this now frozen section of the market. The run on Treasury Bills has left the street bereft of inventory until at least the 3 month maturity and this does not appear to be about to loosen unless the Bank of Canada unleashes a large cash management bill.</p> <p>For now, while market participants are applauding the Fed's cut of the Discount Rate, they are looking over their shoulders as surely there are more " accidents" to be announced.</p>
TUES 21	CPI CPI YoY CPI core CPI core YoY Leading Indicators Retail Sales less Autos	0.1% 2.2% 0.1% 2.3% 0.3% -0.5% -0.3%				
WED 22	No News			ABC Consumer Confidence MBA Mortgage Applicants		
THURS 23	Int'l Securities Transactions	c\$1.25	-C\$4.521			
FRI 24	No News			Durable Goods Orders ex Transport New Home Sales New Home Sales MoM	1.0% 0.6% 820k -1.6%	



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Canada/US Yield Curve

