



Fixed Income Snapshot

November 23, 2007

CANADA BENCHMARKS				
TERM	COUPON	MATURITY	PRICE	YIELD
2 YR	4.250	01-Dec-09	101.28	3.60
5 YR	3.750	1-Jun-12	99.80	3.80
10 YR	4.000	1-Jun-17	99.82	4.02
30 YR	5.000	1-Jun-37	112.76	4.24

US BENCHMARKS				
TERM	COUPON	MATURITY	PRICE	YIELD
2 YR	3.625	31-Oct-09	100.99	3.09
5 YR	3.875	31-Oct-12	102.04	3.42
10 YR	4.250	15-Nov-17	101.59	4.05
30 YR	5.000	15-May-37	108.39	4.48



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	0.9874		6.25	4.50	7.50	6.25	3M	68.3	12.8	2 yr -30yr	64.3	-1.8
US/CAD	1.0128				4.5	4.5	2Y	50.5	-2.9	2yr -5yr	20.2	0.1
YEN/US	107.9700						5Y	37.6	-2.0	5yr-10yr	22.5	-1.1
GBP/US	2.0556						10Y	-3.2	-0.5	10yr-30yr	21.6	-1.0
							30Y	-24.6	-49.5	2yr-10yr	42.7	-1.0

ECONOMIC NEWS SCHEDULED FOR RELEASE							
CANADA		EST	ACTUAL	US		EST	ACTUAL
MON 19	Int'l Securities Trans. Wholesale Sales	C\$1.150 0.0%	C\$-5.211 1.1%	NAHB House Index		17.00	19.00
TUES 20	CPI CPI YoY CPI core CPI core YoY	0.1% 2.8% 0.1% 2.0%	-0.3% 2.4% -0.2% 1.8%	Housing Starts Building Permits		1170k 1200k	1229k 1178k
WED 21	Retail Sales less autos	0.0% 0.3%	-0.2% 0.1%	ABC Consumer Confidence Initial Jobless Claims Continuing Claims MBA Mtg Apps		330k 2575k	330k 2566k
				U. Mich Confidence Leading Indicators		75.00 -0.3%	76.1 -0.5%
THURS 22	No News			No News			
FRI 23	No News			No News			

Daily Comment

Bonds are trading lower this morning. It seems the fear in the markets has eased from earlier in the week. This comes as the headlines in the national papers this morning are full of warnings that the credit crisis could worsen, or at the very least extreme vigilance is required by financial institutions at this point. Comments from the likes of Prem Watsa, and other money managers urge caution. The Loonie has held its current ground, mostly unchanged from yesterday's levels. Some sanity has returned to this market as of late, where we were seeing daily swings of over a penny for days on end. Volatility like this simply cannot last, and for now, it is in hibernation. We will see if this lasts come next week when all the players return to the field.

The credit worries seemed to have eased somewhat this morning. Perhaps the markets are just oversold, but credit spreads are taking a breather this morning after a week of unbelievable widening moves. I've never seen credit spreads move en masse like they did this week, outside of company specific events. Hopefully some stability will return to this market, and perhaps even turn into a buying opportunity for high quality bonds and preferred shares.

We are expecting this session to be extremely slow, with the US closing early not many participants are in the office today.



Canada/US Yield Curve

