



## Fixed Income Snapshot

December 3, 2007

CANADA BENCHMARKS				
TERM	COUPON	MATURITY	PRICE	YIELD
2 YR	4.250	01-Dec-09	101.19	3.63
5 YR	3.750	1-Jun-12	99.97	3.76
10 YR	4.000	1-Jun-17	100.53	3.93
30 YR	5.000	1-Jun-37	115.10	4.11

  

US BENCHMARKS				
TERM	COUPON	MATURITY	PRICE	YIELD
2 YR	3.125	30-Nov-09	100.26	2.99
5 YR	3.375	30-Nov-12	100.03	3.37
10 YR	4.250	15-Nov-17	102.70	3.92
30 YR	5.000	15-May-37	110.58	4.36



### FIXED INCOME



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	1.0017		6.25	4.50	7.50	6.25	3M	78.6	1.1	2 yr -30yr	48.6	-0.2
US/CAD	0.9983				4.5	4.5	2Y	63.1	-1.3	2yr -5yr	13.3	-0.9
YEN/US	110.3200				5	5	5Y	38.7	-1.4	5yr-10yr	17.4	-0.5
GBP/US	2.0629						10Y	1.2	-1.9	10yr-30yr	17.9	-1.4
							30Y	-24.9	-48.5	2yr-10yr	30.7	-1.4

ECONOMIC NEWS SCHEDULED FOR RELEASE						Daily Comment
CANADA		EST	ACTUAL	US		
				EST	ACTUAL	
<b>MON</b> 26	No News			ISM Manufacturing ISM Prices Paid Total Vehicle Sales Domestic Vehicle Sales	50.7 65.5 16M 12.2M	<p>The bond market closed unchanged on Friday with THE BOND, the US ten year note, trading at 3.94%, up 10 basis points from this cycle's low of 3.84% on Monday. Talks continue in the US in an attempt to contain the sub-prime mess. The focus is on attempts to freeze mortgage rates in order to stave off foreclosures, which doubled in October from a year earlier.</p> <p>In Canada, pundits are evenly divided on the Bank of Canada's interest rate decision tomorrow. Friday's release of Q3 GDP at 2.9% was stronger than expected and that could be enough, along with a still strong employment sector, to cause the Bank of Canada to pause here. Also, the Canadian dollar has come off the boil and may continue to give back some gains on the heels of the slide in the price of oil, the deteriorating trade picture and some signs of support for the US Greenback.</p> <p>The Fed is certain to cut rates on December 11, making tomorrow's decision especially tricky, as it comes just three days ahead of the latest employment numbers.</p> <p>Our view is that the long end of the market is ahead of itself and it may back off from here while short rates will likely fall further, producing a steeper yield curve in the process.</p> <p>The credit crunch is nowhere near being over as the TED spread is well over 200. Interbank lending is sparse with Central Banks continuing to extend short term loans to keep the system functioning.</p>
<b>TUES</b> 27	Bank of Canada Rate	4.5%		ABC Consumer Confidence	0.0	
<b>WED</b> 28	No News			MBA Mortgage Applications Challenger Job Cuts ADP Employment Change Nonfarm Productivity Unit Labour Costs Factory Orders ISM Non-Manufacturing	0 0 50K 5.7% -1% 0.0 55	
<b>THURS</b> 29	Building Permits Ivey PMI	0.8% 55.0		Initial Jobless Claims Continuing Claims	335K 2603K	
<b>FRI</b> 30	Unemployment Rate Net Change Unemployment	5.9% 8.0K		Change In Nonfarm Payrolls Unemployment Rate Consumer Credit Michigan Confidence Change In Manuf. Payrolls Average Hourly Earnings	75K 4.8% \$5.5B 75 -15K 0.3%	

