



Fixed Income Snapshot

March 11, 2008

CANADA BENCHMARKS					
TERM	COUPON	MATURITY	PRICE	YIELD	\$ CHANGE
2 YR	4.250	01-Dec-09	102.61	2.68	-0.24
5 YR	3.750	1-Jun-12	102.81	3.03	-0.38
10 YR	4.000	1-Jun-17	103.32	3.57	-0.43
30 YR	5.000	1-Jun-37	115.90	4.07	-0.50

US BENCHMARKS					
TERM	COUPON	MATURITY	PRICE	YIELD	\$ CHANGE
2 YR	2.000	28-Feb-10	100.43	1.78	-0.55
5 YR	2.750	28-Feb-13	100.44	2.66	-1.28
10 YR	3.500	15-Feb-18	99.22	3.59	-1.06
30 YR	4.375	15-Feb-38	97.72	4.51	-0.78



FIXED INCOME



CAD\$ FOREIGN EXCHANGE CROSSES			
CROSS	SPOT	CHANGE	CAD Direction
USD/CAD	0.9935	-0.0029	+
CAD/US	1.0065		
EUR/CAD	1.5246	-0.0043	+
GBP/CAD	1.9938	-0.0066	+
CAD/JPY	103.7500	1.7100	+

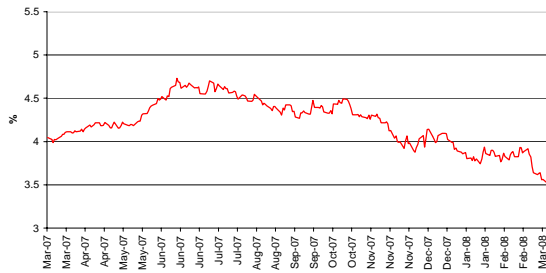
US\$ FOREIGN EXCHANGE CROSSES			
CROSS	SPOT	CHANGE	USD direction
EUR/USD	1.5346	0.0003	-
GBP/USD	2.0072	-0.0007	+
USD/JPY	103.1500	1.4300	+

NOTABLE QUOTES	

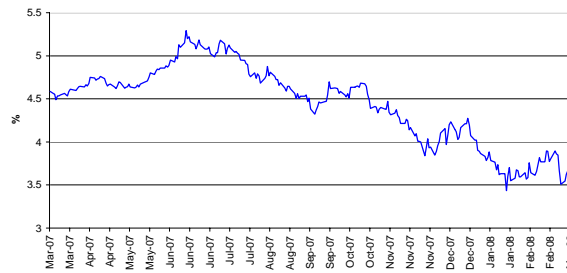


1 Year Charts

Canada Ten Year Yield



US Ten Year Yield



CAD\$



Daily Commentary

Bonds are much lower today as The FOMC has just increased the allowable range of securities acceptable at the discount window for repos. Also, they are allowing 28 day term loans instead of the usual overnight facilities. The loans may be securitized not only by treasury bonds and agency bonds, but now private mortgage-backed securities will be allowed. The facility has been increased and now totals almost \$350 billion in total liquidity that they have added to the market.

The Fed certainly is digging into their arsenal of potential fixes here. They must have heard the analogy of "pushing on a string" when lowering rates, and decided to go more directly to the source of this credit crisis. We certainly will give them credit for thinking outside of the box, and would hope that this temporary solution is used as intended to help get credit where it is needed. We'd also hope that this is indeed temporary and doesn't become part of regular business... we can already here traders calling it the "Bernanke Put", just as they did the Greenspan put.

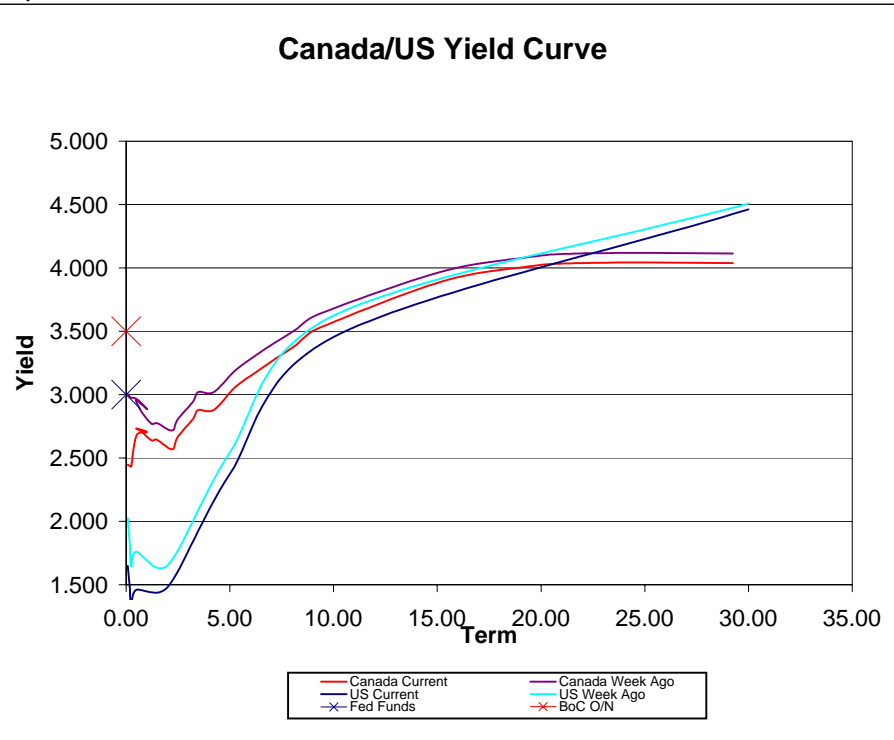
The ECB, Bank of Canada, Bk of England and the Swiss National Bank also announcing specific liquidity injection measures in tandem with the Fed.

Short bonds (the 2 year treasury in particular) are getting absolutely creamed on this news, trading down almost half a point, or 25 basis points, on the session.

Political news is also stealing the headlines this morning, as even the "champion" or market ethics apparently has vices of his own. Spitzer also happened to be a vocal backer of the AMBAC liquidity injection plan, leaving us to wonder just how instrumental he was to the plan. We could see some fallout in the monoline insurers given this development.

February 12, 2008

ECONOMIC NEWS SCHEDULED FOR RELEASE						
Date	CANADA	EST	ACTUAL	US	EST	ACTUAL
MON 10	Housing Starts	205.0K	259.9K	Wholesale Inventories	0.50	
TUES 11	Int'l Merch Trade New Housing Price Index MoM	C\$2.6 0.20	C\$3.3 0.6%	Trade Balance IBD/TIPP Economic Optimism ABC Consumer Confidence	(59.5B) 41.50	-\$58.2B
WED 12	No News			MBA Mortgage Apps Monthly Budget Statement	(170.0B)	
THURS 13	Capacity Utilization Rate	82.00		Import Price Index MoM Import Price Index YoY Advance Retail Sales Retail Sales Less Autos Business Inventories Initial Jobless Claims Continuing Claims	0.80 0.20% 0.20% 0.50 355k 2830k	
FRI 14	Labour Productivity QoQ	(0.30)		CPI MoM CPI Core MoM CPI YoY CPI Core YoY CPI Core Index SA CPI NSA U of Michigan Confidence	0.30 0.20 4.30 2.40 2.40 212.22 69.00	



Other Notable Economic Events		CANADIAN RATES		US RATES		CANADA-US SPREADS			YIELD CURVE SHIFTS			TED Spread	
		PRIME	5.25	PRIME	6.00	TERM	BPS	CHG	ROLL	SPREAD	CHANGE		
		BANK RATE	3.50	BANK RATE	4.75	3M	82.4	18.5	2yr -5yr	35.2	-4.7		
				FED FUNDS	3	2Y	90.5	14.0	2yr -10yr	89.2	-8.7		
				DISCOUNT	3.5	5Y	37.9	17.9	2 yr -30yr	38.4	11.4		
				LIBOR 3M	2.8675	10Y	-2.0	-7.3	5yr -10yr	54.0	-4.0		
						30Y	-45.1	-87.9	10yr -30yr	49.2	-8.7		
												TED Spread	1.57
												Week ago	1.41