BLACKMONT
CAPITAL™

FIXED INCOME

Fixed Income Snapshot

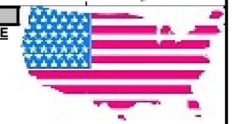
March 12, 2008

CANADA BENCHMARKS

TERM	COUPON	MATURITY	PRICE	YIELD	$ CHANGE
2 YR	4.250	01-Dec-09	102.69	2.63	0.05
5 YR	3.750	1-Jun-12	102.93	3.00	0.13
10 YR	4.000	1-Jun-17	103.47	3.55	0.23
30 YR	5.000	1-Jun-37	116.30	4.04	0.35

US BENCHMARKS

TERM	COUPON	MATURITY	PRICE	YIELD	$ CHANGE
2 YR	2.000	28-Feb-10	100.61	1.68	0.13
5 YR	2.750	28-Feb-13	100.80	2.58	0.27
10 YR	3.500	15-Feb-18	99.45	3.57	0.28
30 YR	4.375	15-Feb-38	98.20	4.48	0.45



CAD$ FOREIGN EXCHANGE CROSSES

CROSS	SPOT	CHANGE	CAD Direction
USD/CAD	0.9874	-0.0041	+
CAD/US	1.0128		
EUR/CAD	1.5282	0.0076	-
GBP/CAD	1.9941	0.0042	-
CAD/JPY	103.5400	-0.7500	-

US$ FOREIGN EXCHANGE CROSSES

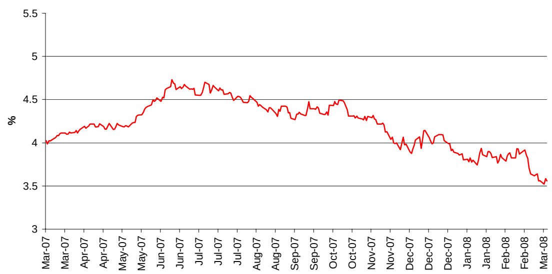
CROSS	SPOT	CHANGE	USD direction
EUR/USD	1.5477	0.0141	-
GBP/USD	2.0195	0.0125	-
USD/JPY	102.2700	-1.1800	-

NOTABLE QUOTES

Check out the TWO YEAR TREASURY @ 1.65%

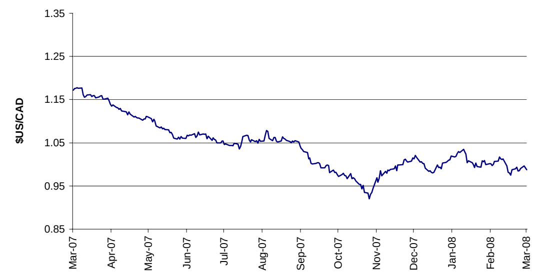
1 Year Charts

Canada Ten Year Yield



US Ten Year Yield

CAD$



Daily Commentary

Fed action certainly put a different spin on yesterday's markets from the recent norm. The 30-2 year curve flattened by 20 basis points yesterday alone, as the short bonds got absolutely creamed by massive liquidity injections into the markets. Rates rising may sound counter-intuitive when the central bankers are adding liquidity, but remember, the safe haven of treasuries have artificially low yields as so many are avoiding anything remotely resembling risk.

While there are lots of headlines out this morning sceptical about the value of a $200 billion liquidity package in an impaired market that measures into the trillions, we would argue that the Fed never actually goes out and fixes the problems themselves. They put into place the facilities for the markets to correct themselves and allow capital to flow to the areas that are in need and worthy of the investment. We view this as a positive step and a smart move. the traditional lowering of rates was not having the desired run-on effect that they are intended to have, as the log-jam in the economy was right at the top of the money food chain - with the big lenders. They have little incentive to pass on lower rates when they are sitting on loads of unmarketable debt. Allow them to temporarily trade that debt for government cash, however, and you have a more direct solution.

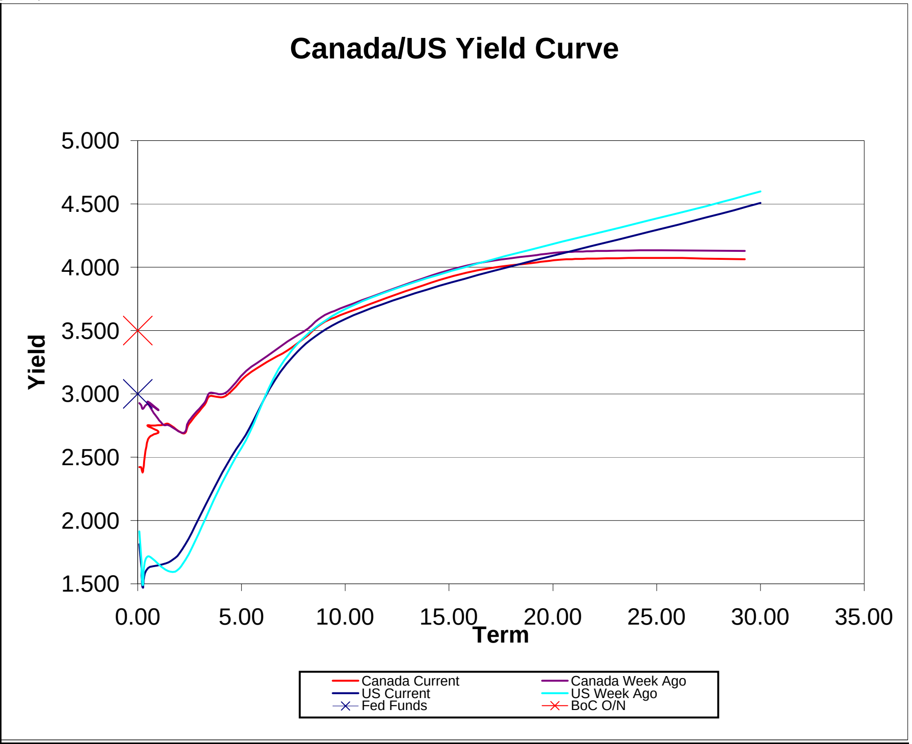
Contrast this to China, where the PBoC is removing liquidity from the markets by lifting rates and soaking up excess funds with large debt issues and repos, having been faced with a huge 8.7% print on their inflation numbers for February.

BLACKMONT CAPITAL

Fixed Income

February 12, 2008

Date	CANADA	EST	ACTUAL	US	EST	ACTUAL
	ECONOMIC NEWS SCHEDULED FOR RELEASE					
MON 10	Housing Starts	205.0K	259.9K	Wholesale Inventories	0.50	
TUES 11	Int'l Merch Trade	C$2.6	C$3.3	Trade Balance	(59.5B)	-$58.2B
	New Housing Price Index MoM	0.20	0.6%	IBD/TIPP Economic Optimism	41.50	42.50
				ABC Consumer Confidence		-30
WED 12	No News			MBA Mortgage Apps		-1.9%
				Monthly Budget Statement	(170.0B)	
THURS 13	Capacity Utilization Rate	82.00		Import Price Index MoM	0.80	
				Import Price Index YoY		
				Advance Retail Sales	0.20%	
				Retail Sales Less Autos	0.20%	
				Business Inventories	0.50	
				Initial Jobless Claims	355k	
				Continuing Claims	2830k	
FRI 14	Labour Productivity QoQ	(0.30)		CPI MoM	0.30	
				CPI Core MoM	0.20	
				CPI YoY	4.30	
				CPI Core YoY	2.40	
				CPI Core Index SA	2.40	
				CPI NSA	212.22	
				U of Michigan Confidence	69.00	



Other Notable Economic Events

CANADIAN RATES	
PRIME	5.25
BANK RATE	3.50

US RATES	
PRIME	6.00
BANK RATE	4.75
FED FUNDS	3
DISCOUNT	3.5
LIBOR 3M	2.8500

CANADA-US SPREADS		
TERM	BPS	CHG
3M	92.2	8.8
2Y	94.4	2.8
5Y	43.5	3.4
10Y	-1.3	0.4
30Y	-44.0	-89.1

YIELD CURVE SHIFTS		
ROLL	SPREAD	CHANGE
2yr -5yr	38.3	1.1
2yr-10yr	92.6	0.7
2 yr -30yr	41.3	1.5
5yr-10yr	54.3	-0.4
10yr-30yr	48.7	0.7

TED Spread	1.43
Week ago	1.56