



Fixed Income Snapshot

March 31, 2008

CANADA BENCHMARKS					
TERM	COUPON	MATURITY	PRICE	YIELD	\$ CHANGE
2 YR	4.250	01-Dec-09	102.73	2.56	0.04
5 YR	3.750	1-Jun-12	103.33	2.89	0.07
10 YR	4.000	1-Jun-17	104.45	3.43	0.15
30 YR	5.000	1-Jun-37	118.20	3.94	0.14

US BENCHMARKS					
TERM	COUPON	MATURITY	PRICE	YIELD	\$ CHANGE
2 YR	1.750	31-Mar-10	100.29	1.60	0.09
5 YR	2.500	31-Mar-13	100.23	2.45	0.23
10 YR	3.500	15-Feb-18	100.84	3.40	0.36
30 YR	4.375	15-Feb-38	101.52	4.28	0.36



FIXED INCOME



CAD\$ FOREIGN EXCHANGE CROSSES			
CROSS	SPOT	CHANGE	CAD Direction
USD/CAD	1.0273	0.0051	-
CAD/US	0.9734		
EUR/CAD	1.6257	0.0093	-
GBP/CAD	2.0423	#N/A	#N/A
CAD/JPY	96.6400	#N/A	#N/A

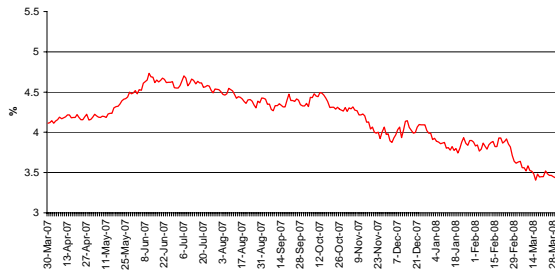
US\$ FOREIGN EXCHANGE CROSSES			
CROSS	SPOT	CHANGE	USD direction
EUR/USD	1.5820	0.0010	-
GBP/USD	1.9878	-0.0085	+
USD/JPY	99.3800	0.4700	+

NOTABLE QUOTES	

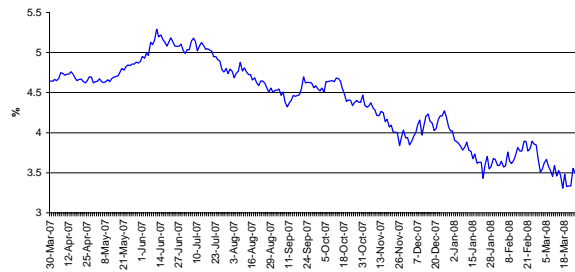


1 Year Charts

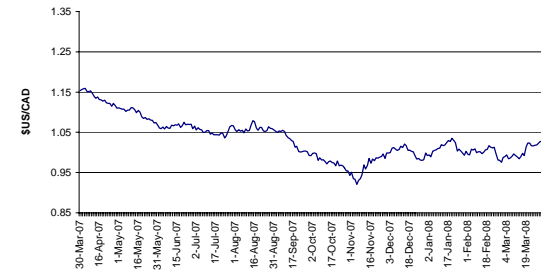
Canada Ten Year Yield



US Ten Year Yield



CAD\$



Daily Commentary

Canada's GDP bounced back from last month's negative print this morning. We reported a 0.6% month over month increasing, beating expectations by a tick. Despite this surprise (probably because it's reporting ancient January data), bonds have ticked up this morning as equity markets are mixed.

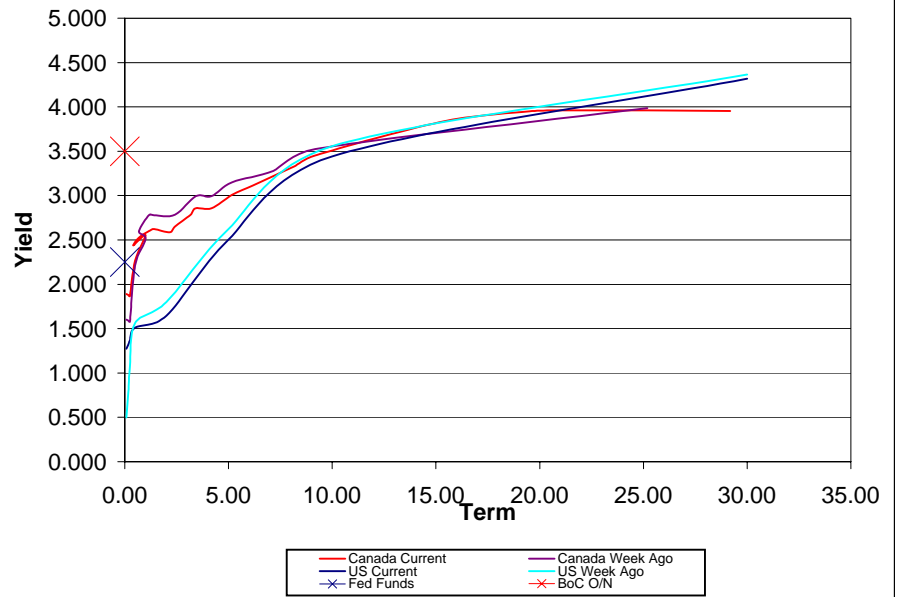
Most of the news continues to be around putting out fires. Treasury Secretary Paulson has proposed a large overhaul of regulation in the US markets - combining the SEC and the CFTC (commodities regulator). Hint Hint Canada... other countries get the single regulator game. The overhaul also includes giving more power to the Federal Reserve to preserve market integrity. We haven't seen many details of the proposal yet, but the implications could be far reaching. Much like Sarbanes-Oxley after the tech-wreck, we are noticing that a lot of regulation and blame is being handed out after the fact. Does that mean we're most of the way through the problems? Doubtful given the speed at which the housing market moves compared to the stock markets. Just think how long a transaction takes to close on a house vs a 100 shares of stock. It's not easy to stop the slide, fix the bad loans and move on....

Lots of important business survey data comes out this week, like the Chicago NAPM, ISM indexes, Ivey PMI...we watch these closely as they are all below their boom/bust lines (save the Cdn Ivey PMI number). It's important to see the small and medium business sentiment.

March 31, 2008

ECONOMIC NEWS SCHEDULED FOR RELEASE						
Date	CANADA	EST	ACTUAL	US	EST	ACTUAL
MON 31	GDP MoM (January)	0.5%	0.6%	Chicago PMI NAPM-Milwaukee	46.00	
TUES 1	Industrial Product Price MoM Raw Materials Price	0.7% 2.7%		Cosntruction Spending ISM Manufacturing ISM Prices Paid Total Vehicle Sales Domestic Vehicle Sales ABC Consumer Confidence	-1.0% 47.50 75.0 15.2M 11.6M 	
WED 2	No new economic news			MBA Mortgage Apps Challenger Job cuts ADP Employment Change Factory Orders	0.8 -40k 0.8%	
THURS 3	No new economic news			RPX Home Px Composite RPX Home Px Composite YoY ISM Non-Manufacturing Initial Jobless Claims Continuing Claims	48.5 366k 2848k	
FRI 4	Unemployment Rate Ivey PMI	5.0% 62.50		Change in Nonfarm Payrolls Unemployment Rate Chg in Manufac. Payrolls Avg Hourly Earnings MoM Avg Hourly Earnings YoY Avg Weekly Hours	-50k 5.0% -40k 0.3% 3.6% 33.70	

Canada/US Yield Curve



Other Notable Economic Events		CANADIAN RATES		US RATES			CANADA-US SPREADS			YIELD CURVE SHIFTS			
		PRIME	5.25	PRIME	5.25	TERM	BPS	CHG	ROLL	SPREAD	CHANGE		
		BANK RATE	3.50	BANK RATE	4.00		#N/A	#N/A	2yr -5yr	#N/A	#N/A		
				FED FUNDS	2.25		#N/A	#N/A	2yr -10yr	#N/A	#N/A		
				DISCOUNT	2.5		#N/A	#N/A	2 yr -30yr	#N/A	#N/A		
				LIBOR 3M	2.6881		#N/A	#N/A	5yr -10yr	#N/A	#N/A		
							#N/A	#N/A	10yr -30yr	#N/A	#N/A		
												TED Spread	1.58
												Week ago	1.58