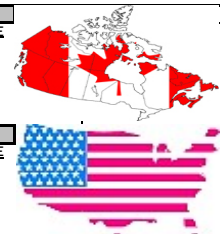


CANADA BENCHMARKS					
TERM	COUPON	MATURITY	PRICE	YIELD	\$ CHANGE
2 YR	4.250	01-Dec-09	102.27	2.84	-0.11
5 YR	3.750	1-Jun-12	102.50	3.10	-0.13
10 YR	4.000	1-Jun-17	103.19	3.59	-0.18
30 YR	5.000	1-Jun-37	116.40	4.04	-0.18

US BENCHMARKS					
TERM	COUPON	MATURITY	PRICE	YIELD	\$ CHANGE
2 YR	1.750	31-Mar-10	99.81	1.85	-0.09
5 YR	2.500	31-Mar-13	99.09	2.70	-0.21
10 YR	3.500	15-Feb-18	99.25	3.59	-0.27
30 YR	4.375	15-Feb-38	99.27	4.42	-0.28

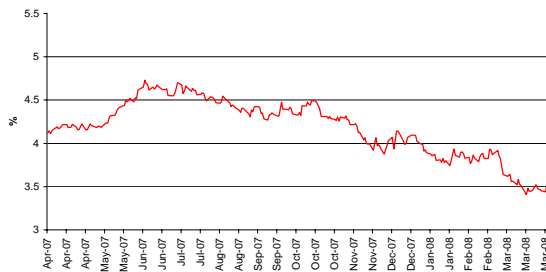


**FIXED INCOME**

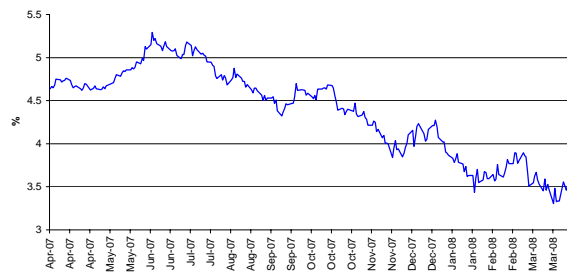
CAD\$ FOREIGN EXCHANGE CROSSES				US\$ FOREIGN EXCHANGE CROSSES				NOTABLE QUOTES
CROSS	SPOT	CHANGE	CAD Direction	CROSS	SPOT	CHANGE	USD direction	
USD/CAD	1.0188	-0.0039	+	EUR/USD	1.5595	-0.0018	+	
CAD/US	0.9815			GBP/USD	1.9802	0.0048	-	
EUR/CAD	1.5888	-0.0080	+	USD/JPY	102.3400	0.5200	+	
GBP/CAD	2.0171	-0.0029	+					
CAD/JPY	100.4000	0.8900	+					

**1 Year Charts**

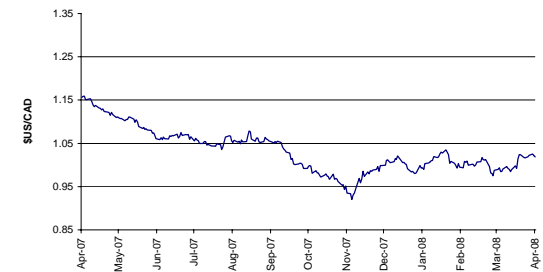
**Canada Ten Year Yield**



**US Ten Year Yield**



**CAD\$**



**Daily Commentary**

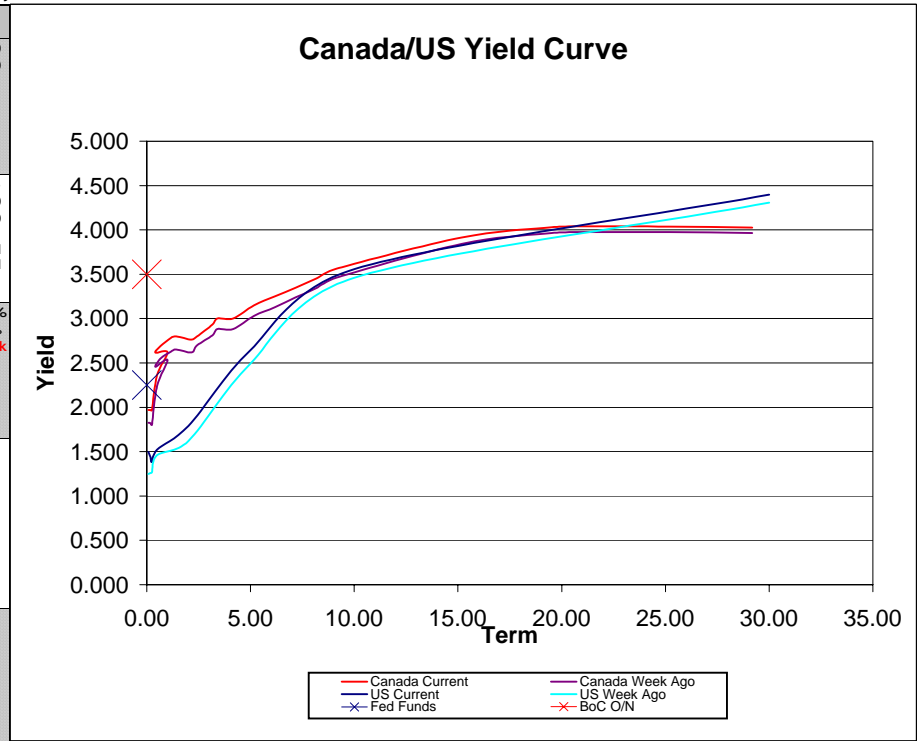
To anyone who was hoping for a speedy recovery in the US housing sector, your patience will be tested. **Fannie Mae** announced yesterday that it will now require a minimum credit score for loans it buys on an individual basis, where it never before required a minimum. In addition, *they increased the amount of time required to re-establish that credit score after a foreclosure to 5 years, from the current 4.* These are the types of moves, while expected, will echo throughout the financial system. All the lenders will eventually fall in line with Fannie, as it (along with Freddie Mac) are the main backers of residential mortgages in the USA. When they tighten their standards, everyone tightens their standards.

The **ADP Employment** number surprised on the upside this morning. This ADP number is still relatively new, but has been used to forecast the big jobs report coming on Friday. As you've read in the Launchpad, the IMF has lowered its world growth forecast, particularly that of the US. While this isn't really news, it doesn't come as a positive precursor to the jobs report.

The tone this morning is positive once again. Treasuries and Canada bonds are lower, and the curve has flattened substantially in the last two days. More importantly, T-Bills are now available across the curve, at more normalized levels (though still expensive). The spread between 3 month bills and Bankers Acceptances has dropped to 156 bps. This was over 200 last week (if you could measure it, as bills weren't offered). Looking at the grand picture, if you had told me a year ago that BA's would be 150 over T-Bills I would have laughed, but here we are. These elevated levels indicate that the market is still risk averse, but this aversion has been dissipating quickly this week.

April 2, 2008

ECONOMIC NEWS SCHEDULED FOR RELEASE						
Date	CANADA	EST	ACTUAL	US	EST	ACTUAL
<b>MON</b> 31	GDP MoM	0.5%	<b>0.6%</b>	Chicago PMI NAPM-Milwaukee	46.00	48.20 47.00
<b>TUES</b> 1	Industrial Product Price MoM Raw Materials Price	0.7% 2.7%	<b>0.1%</b> <b>0.5%</b>	Cosntruction Spending ISM Manufacturing ISM Prices Paid Total Vehicle Sales Domestic Vehicle Sales	-1.0% 47.50 75.0 15.2M 11.6M	-0.3% 48.60 83.50 15.1M 11.1M
<b>WED</b> 2	No new economic news			ABC Consumer Confidence MBA Mortgage Apps Challenger Job cuts ADP Employment Change Factory Orders		-33 -28.7% 9.4% 8k
<b>THURS</b> 3	No new economic news			RPX Home Px Composite RPX Home Px Composite YoY ISM Non-Manufacturing  Initial Jobless Claims Continuing Claims	48.5	
<b>FRI</b> 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	



Other Notable Economic Events		CANADIAN RATES		US RATES		CANADA-US SPREADS			YIELD CURVE SHIFTS			TED Spread Week ago
PRIME	BANK RATE	PRIME	BANK RATE	TERM	BPS	CHG	ROLL	SPREAD	CHANGE			
5.25	3.50	5.25	4.00	3M	64.2	4.0	2yr -5yr	26.4	-3.4			
			2.25	FED FUNDS	2Y	99.1	2.1	2yr -10yr	74.9	-4.4		1.56
			2.5	DISCOUNT	5Y	40.5	-1.4	2 yr -30yr	20.0	-5.6		1.54
			2.7000	LIBOR 3M	10Y	-0.5	-1.2	5yr -10yr	48.5	-1.0		
					30Y	-38.4	-75.8	10yr -30yr	45.1	-4.4		