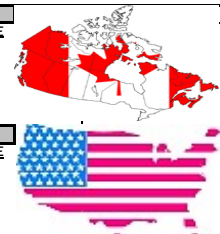


CANADA BENCHMARKS					
TERM	COUPON	MATURITY	PRICE	YIELD	\$ CHANGE
2 YR	3.750	01-Jun-10	102.10	2.72	-0.02
5 YR	3.750	1-Jun-12	102.61	3.07	-0.03
10 YR	4.000	1-Jun-17	102.85	3.63	0.00
30 YR	5.000	1-Jun-37	114.55	4.14	0.05

US BENCHMARKS					
TERM	COUPON	MATURITY	PRICE	YIELD	\$ CHANGE
2 YR	1.750	31-Mar-10	99.82	1.84	0.06
5 YR	2.500	31-Mar-13	99.12	2.69	0.07
10 YR	3.500	15-Feb-18	99.20	3.60	0.08
30 YR	4.375	15-Feb-38	98.89	4.44	0.09

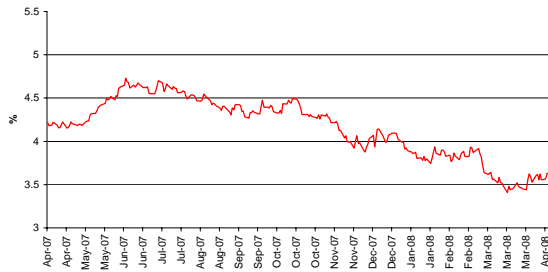


FIXED INCOME

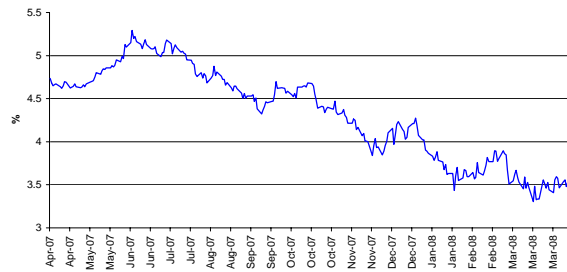
CAD\$ FOREIGN EXCHANGE CROSSES				US\$ FOREIGN EXCHANGE CROSSES				NOTABLE QUOTES
CROSS	SPOT	CHANGE	CAD Direction	CROSS	SPOT	CHANGE	USD direction	
USD/CAD	1.0075	-0.0098	+	EUR/USD	1.5957	0.0167	-	
CAD/US	0.9926			GBP/USD	1.9771	0.0138	-	
EUR/CAD	1.6071	0.0008	-	USD/JPY	101.1400	-0.6800	-	
GBP/CAD	1.9916	-0.0057	+					
CAD/JPY	100.3600	0.3300	+					

1 Year Charts

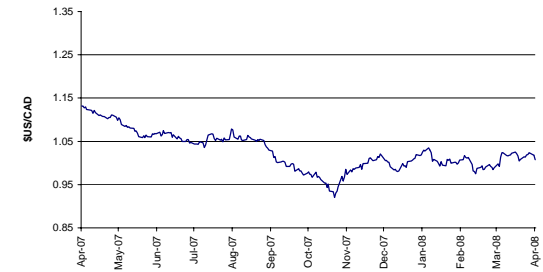
Canada Ten Year Yield



US Ten Year Yield



CAD\$



Daily Commentary

Yesterday PPI was really big, and highlighted the worries that surround the markets. Materials and food prices are pushing the headline numbers into stratospheric territory, while the core numbers remain relatively low.

Also in the "negative for bonds" news from yesterday was the rebound in the Empire manufacturing index. New York State's economic activity index staged a surprise rebound, just barely above the boom/bust level of 0. As expected, the bond market sold off yesterday mostly on these numbers, but also on a bit of optimism from the equity markets.

This morning we are seeing further optimism as Earnings from JPMorgan and Wells Fargo weren't as bad as they could have been. These two more conservative US banks managed to still post profits in the current environment, but both are cautious on the consumer lending side.

This morning's slew of data starts with US CPI, coming in line with expectations. Unlike the PPI headline, which was very strong, there is still less flow through to the consumer side. With the headline printing at 4.0%, the vast majority of that coming from gasoline, the core remained tepid at 2.4%. Realizing that everyone needs to drive their cars and heat their homes, we are aware of the costs going up, but central banks have little control over those prices with their traditional tools, and the core numbers remain within the comfort zone.

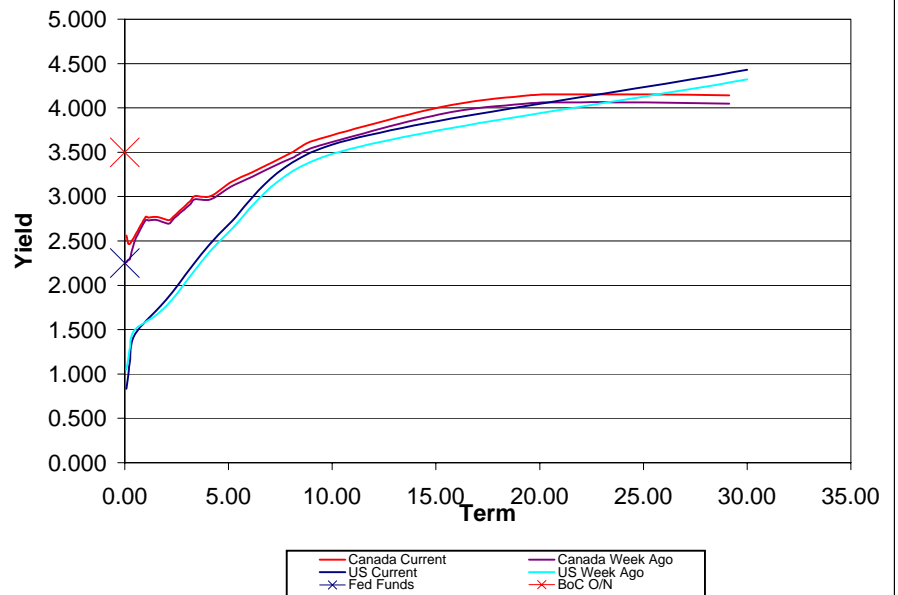
Bonds are trading higher as traders were expecting the worst after yesterday's PPI.

Housing Starts and Building Permits were both lower than expected. Last month's tick up appeared to be a head fake and the housing sector decline continues. With foreclosures and ARM resets accelerating, this number is no surprise.

April 16, 2008

ECONOMIC NEWS SCHEDULED FOR RELEASE						
Date	CANADA	EST	ACTUAL	US	EST	ACTUAL
MON 14	New Motor Vehicle Sales MoM	-1.5%	-3.2%	Advanced Retail Sales Less Autos Business Inventories	0.0% 0.2% 0.5%	0.2% 0.1% 0.6%
TUES 15	No News			Producer Price Index PPI Ex Food Energy Producer Price Index YoY PPI Ex Food Energy YoY Empire Manufacturing Net Long Term TIC Flows NAHB Housing Mkt Index ABC Consumer Confidence	0.6% 0.2% 6.2% 2.8% -17.3 \$57.5B 20.0%	1.1% 0.2% 6.9% 2.7% 0.60 \$72.5B 20.00 -39
WED 16	Manufacturing Systems	0.5%	1.6%	MBA Mortgage Apps Consumer Price Index MoM CPI ex food energy MoM Consumer Price Index YoY CPI ex food energy YoY Housing Starts Building Permits Industrial Production	0.3% 0.2% 4.0% 2.4% 1011k 975k 0.0%	2.5% 0.3% 0.2% 4.0% 2.4% 947k 927k
THURS 17	Consumer Price Index MoM Consumer Price Index YoY CPI Core MoM CPI Core YoY	0.3% 1.4% 0.3% 1.4%		Trade Balance ICSC Chain Store Sales Monthly Budget Statement Leading Indicators Philadelphia Fed Initial Jobless Claims Continuing Claims	-\$57.5B -\$70.8B 0.1% -15.0 375k 2938k	
FRI 18	Leading Indicators Wholesale Sales	0.1% 0.4%		Import Price Index Import Price Index YoY	2.0% 13.6%	

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	3M	138.8	2.6	2yr -5yr	34.4	-0.2		
				FED FUNDS	2.25	2Y	87.9	4.1	2yr -10yr	90.6	-0.8		
				DISCOUNT	2.5	5Y	37.6	2.2	2 yr -30yr	41.2	-1.1		
				LIBOR 3M	2.7338	10Y	3.6	1.3	5yr -10yr	56.2	-0.6		
						30Y	-30.6	-61.6	10yr -30yr	50.6	-0.8		
												TED Spread	1.81
												Week ago	1.71



Housing Starts since 1980.

We're into levels not seen since 1989. The speed of the decline should be deflationary to core asset prices in the US