

CANADA BENCHMARKS					
TERM	COUPON	MATURITY	PRICE	YIELD	\$ CHANGE
2 YR	2.750	1-Dec-10	101.94	1.77	0.01
5 YR	3.500	1-Jun-13	104.05	2.54	-0.13
10 YR	4.250	1-Jun-18	106.80	3.41	-0.35
30 YR	5.000	1-Jun-37	117.50	3.97	0.10



US BENCHMARKS					
TERM	COUPON	MATURITY	PRICE	YIELD	\$ CHANGE
2 YR	1.250	30-Nov-10	100.08	1.21	-0.03
5 YR	2.000	30-Nov-13	99.49	2.10	0.03
10 YR	3.750	15-Nov-18	105.55	3.08	0.30
30 YR	4.500	15-May-38	116.27	3.60	0.33



FIXED INCOME



CAD\$ FOREIGN EXCHANGE CROSSES			
CROSS	SPOT	CHANGE	CAD Direction
USD/CAD	1.2382	0.0153	-
CAD/US	0.8076		
EUR/CAD	1.6059	0.0060	-
GBP/CAD	1.8947	0.0012	-
CAD/JPY	76.7400	-1.0300	-

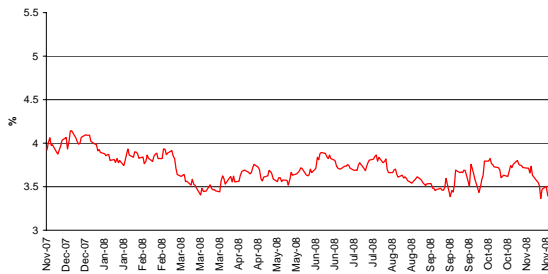
US\$ FOREIGN EXCHANGE CROSSES			
CROSS	SPOT	CHANGE	USD direction
EUR/USD	1.2959	-0.0107	+
GBP/USD	1.5287	-0.0176	+
USD/JPY	95.1900	-0.0500	-

NOTABLE QUOTES	

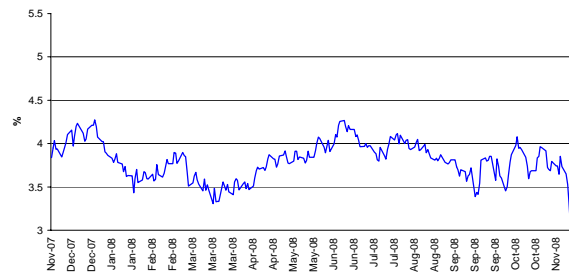


1 Year Charts

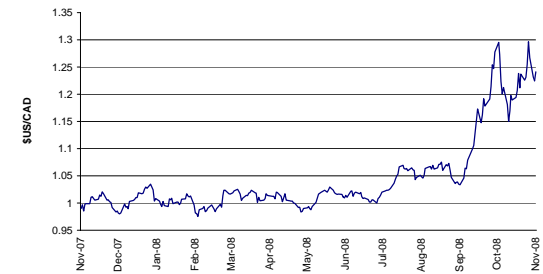
Canada Ten Year Yield



US Ten Year Yield



CAD\$



Daily Commentary

The PBoC cut the Chinese central bank rate 108 bps overnight to 5.58%. This is the 4th cut since the beginning of September when their rates stood at 7.50%, and the largest single cut in 11 years for the bank.

As Scott described in the LP, KPMG has done the math and decided that a leveraged BCE deal just won't work in this environment. This should be a positive development for the bond holders, as they make their way back to A rated status. The bad news is, A rated doesn't mean the same as it did when this deal was announced... as we all know, credit has deteriorated significantly. Still, BCE should go back to being a big cash flow generator with more than adequate interest coverage.

This should also be negative for the Canadian dollar. The \$29 bln in financing was surely going to come in US\$ or possible EUR\$. Regardless, it would have to be swapped back to loonies to pay the shareholders. Now that bid is gone. The loonie is down about a penny this morning, although part of this weakness is certainly due to the general selling in the equity markets.

Lots of Data out in the US this morning ahead of the Thanksgiving holiday.

The data is mixed. **Durable Goods Orders** was nothing short of terrible, and last month was revised downwards. **PCE deflator** (the Fed's preferred measure of inflation) showed a big drop from September. The headline came in at 3.2% while the core stands at 2.1%

Jobless Claims still printed above 500k, but declined slightly from last week's 543,000.

All in all, we see the data as mixed and expect the market to continue trading on news.

Bonds are trading higher, but their gains have moderated since the release of the data. The C\$ has declined some more.

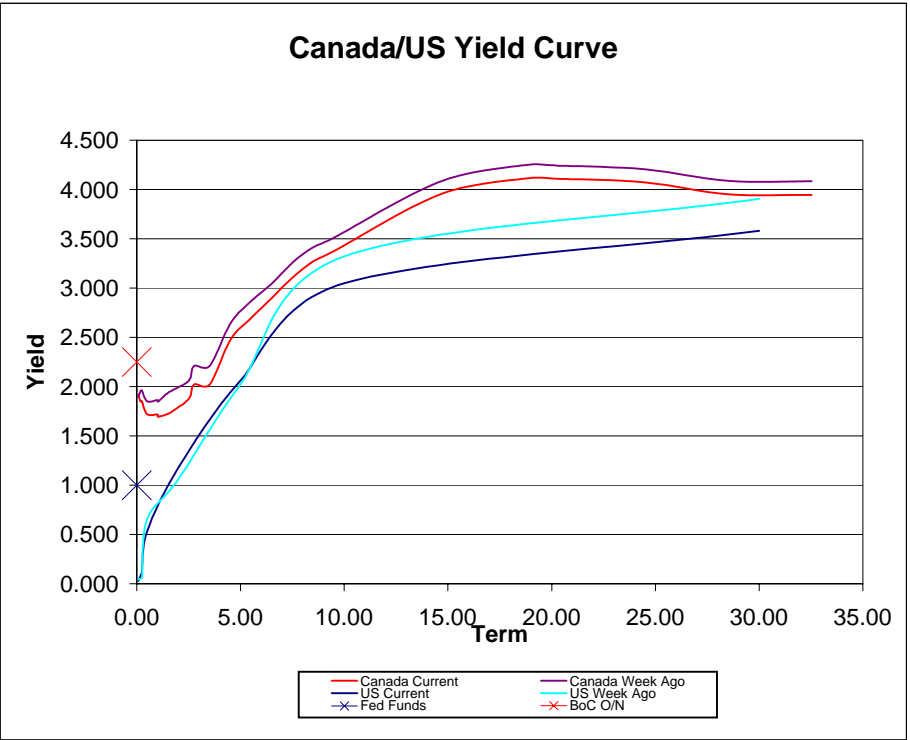
Written By:
James Price, VP Fixed Income
FI Team: Nataly Alves, David Mak, James Price

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November 26, 2008

ECONOMIC NEWS SCHEDULED FOR RELEASE						
Date	CANADA	EST	ACTUAL	US	EST	ACTUAL
MON 24	No News			Existing Home Sales Existing Home Sales MoM	5.00M -3.5%	4.98M -3.1%
TUES 25	Retail Sales MoM Retail Sales less Autos	0.4% 0.2%	1.1% 0.8%	GDP QoQ Personal Consumption GDP Price Index Core PCE QoQ S&P/CS Composite YoY Consumer Confidence Richmond Fed ABC Consumer Confidence	-0.5% -3.1% 4.2% 2.9% -16.9% 38.00 -26 -49	-0.5% -3.7% 4.2% 2.6% -17.4% 44.90 -38 -52
WED 26	No News			MBA Mortgage Apps Durable Goods Durables ex-trans Personal Income Personal Spending PCE Core PCE Core MoM	-3.0% -1.5% 0.1% -1.0% 0.0% 2.2%	1.5% -6.2% -4.4% 0.3% -1.0% 0.0% 2.1%
THURS 27	No News			Chicago PMI (Wed. 26th) U. Michigan Confidence (Wed. 26th) New Home Sales (Wed. 26th) New Home Sales MoM (Wed. 26th)	37.00 57.50 442k -4.7%	
FRI 28	Current Account BoP Industrial Product Price Raw Materials Price	\$5.1B -1.5% -8.0%		Initial Jobless Claims Continuing Claims NAPM-Milwaukee	531k 4075k	529k 3962k



Other Notable Economic Events	CDN Money Market	CANADIAN RATES	US RATES	CANADA-US SPREADS	YIELD CURVE SHIFTS	
	Bankers Acceptance	PRIME 4.00	PRIME 4.00	TERM 3M 160.0	ROLL 2yr -5yr 82.8	
	30 Day 2.10	BANK RATE 2.25	BANK RATE 2.75	5Y 45.2	SPREAD 2yr -10yr 172.0	
	60 Day 2.08		FED FUNDS 1	CHANGE -5.5	CHANGE 2yr -30yr 21.9	
	90 Day 2.06		DISCOUNT 1.25	CHANGE -2.5	CHANGE 5yr -10yr 89.4	
	indication only - actual rates may vary		LIBOR 3M 2.1813	CHANGE #N/A	CHANGE 10yr-30yr 49.7	
				CHANGE 76.0		TED Spread Week ago 2.88
						2.94