



Fixed Income Snapshot

June 27, 2007

CANADA BENCHMARKS				
TERM	COUPON	MATURITY	PRICE	YIELD
2 YR	3.750	01-Jun-09	98.43	4.62
5 YR	3.750	1-Jun-12	96.37	4.58
10 YR	4.000	1-Jun-16	95.85	4.57
30 YR	5.750	1-Jun-33	118.70	4.52



US BENCHMARKS				
TERM	COUPON	MATURITY	PRICE	YIELD
2 YR	4.875	30-Jun-09	100.08	4.83
5 YR	4.750	31-May-12	99.30	4.91
10 YR	4.500	15-May-17	95.81	5.04
30 YR	4.750	15-Feb-37	93.67	5.17



FOREIGN EXCHANGE			CANADIAN RATES		US RATES		CANADA-US SPREADS			YIELD CURVE SHIFTS		
CROSS	SPOT	CHANGE	PRIME	BANK RATE	PRIME	BANK RATE	TERM	BPS	CHANGE	ROLL	SPREAD	CHANGE
CAD/US	1.0715		6.00	4.25	8.25	7.00	3M	-37.9	7.4	2 yr -30yr	-9.7	-0.6
US/CAD	0.9333				5.25	5.25	2Y	-21.8	1.5	2yr -5yr	-3.3	-1.7
YEN/US	122.3600						5Y	-32.9	0.5	5yr-10yr	-1.0	0.0
GBP/US	1.9968						10Y	-47.1	-0.5	10yr-30yr	-5.4	-1.7
							30Y	-65.0	-130.0	2yr-10yr	-4.3	-1.7

ECONOMIC NEWS SCHEDULED FOR RELEASE							Daily Comment
CANADA		EST	ACTUAL	US	EST	ACTUAL	
MON 25	No News			Existing Home Sales Existing Home Sales MoM	5.97m 0.3%	5.99M -0.3%	<p>Bonds are higher this morning, as housing data continues to pour in negative. Yesterday's new home sales disappointed as much as Monday's existing home sales, and this morning's MBA mortgage applications came in negative again for the third week in a row. US durable goods orders were very weak this morning, although April's data was revised upwards. This has put a decent bid under the Treasury market, and the Ten Year bond is trading at 5.03%.</p> <p>This is the test of the psychological 5% mark we were looking for after the seriously oversold conditions in the bond market. Remember, the yield hit an intra-day high yield north of 5.30% only two weeks ago. All this movement is being reflected in the volatility indicators like the VIX, which has been climbing significantly over the past couple of weeks. Canada bonds are following suit, the CAD ten year now at 4.56%</p> <p>The only market that hasn't been volatile lately, surprisingly, has been the CAD\$. The Loonie has been stuck around the 1.0700 level for several days with no clear direction. We'd call this a consolidation from the recent run-up. This is technically very bullish for the CAD\$, as the fast rise was not met with serious selling once it got to the overbought stage. It is only 1.2 cents off of its high of early June after a rally of over a dime.</p>
TUES 26	No News			S&P/CS Comp Home Px Richmond Fed New Home Sales New Home Sales MoM Consumer Confidence	-2.1% -8 925k -5.7% 105.00	-2.1% 4.00 915k 1.6% 103.90	
WED 27	No News			MBA Mortgage Apps Durable Goods Durable Goods ex Transport	-1.0% 0.3%	-3.9% -2.8% -1.0%	
THURS 28	Industrial Product Price Raw Materials Px Index	-0.1% 0.6%		GDP Annualized Personal Consumption GDP Px Index Core PCE QoQ Help wanted FED RATE DECISION Initial Jobless Claims Continuing Claims	0.8% 4.4% 4.0% 2.2% 29.00 5.25% 315k 1238k		
FRI 29	GDP MoM	0.2%		Personal Income Personal Spending PCE Deflator YoY PCE Core MoM PCE Core YoY Chicago PMI Construction Spending U Mich Confidence	0.6% 0.7% 2.4% 0.1% 1.9% 58.00 0.1% 84.00		



Canada/US Yield Curve

