

INDEX	CLOSE	NET CHANGE	DAILY % CHANGE	WEEKLY % CHANGE	% YTD	% LAST 12 MONTHS
Dow Jones Industrial Average	12,501.11	-277.04	-2.17%	-0.70%	-5.76%	-0.44%
S&P 500 Index	1,380.95	-35.30	-2.49%	-0.66%	-5.95%	-3.48%
Nasdaq Composite Index	2,417.59	-60.71	-2.45%	-0.94%	-8.85%	-3.41%
S&P/TSX Composite Index	13,316.78	-381.50	-2.79%	-1.66%	-3.73%	4.40%
FTSE 100 (UK)	6,025.60	-190.10	-3.06%	-5.21%	-6.68%	-3.80%
DAX (Germany)	7,566.38	-165.64	-2.14%	-3.61%	-6.21%	12.40%
NIKKEI 225 (Japan)	13,972.63	-138.16	-0.98%	-3.83%	-8.72%	-18.81%
HANG SENG (Hong-Kong)	25,837.78	-630.35	-2.38%	-4.70%	-7.10%	28.75%

MARKET REVIEW

Markets shaken by Citigroup earnings report

U.S. and Canadian stocks fell sharply today on the back of a poor U.S. retail sales report and disappointing earnings at Citigroup. In Canada, all S&P/TSX sectors declined led by Energy, Materials and Financial stocks. The S&P/TSX Composite pulled back 381.5 points, or 2.79%, to 13316.78. The Dow Jones Industrials Average lost 277.04 points, or 2.17%, to 12501.11. The S&P 500 Composite declined 35.3 points, or 2.49%, to 1380.95. The Nasdaq Composite retreated 60.71 points, or 2.45%, to 2417.59.

Citigroup's disappointing earnings announcement sent the markets tumbling today. Citigroup reported a U.S. \$9.83 billion (U.S. \$1.99 per share) fourth quarter loss, compared to a U.S. \$5.13 billion (U.S. \$1.03 per share) gain for the same period last year. The bank also reported a whopping U.S. \$18.1 billion asset write-down and cut its dividend by 41% to U.S. \$0.32 per share. The company shed 4,200 jobs in 2007 and is planning to eliminate many more to cut costs. As a result of the announcement Citigroup saw its stock price fall 7.3% to US\$26.94 per share.

In the U.S., food services sales and retail sales excluding motor vehicles & parts, both fell by 0.4% in December. Today's report is a cause for concern as it suggests that a slowdown in consumer spending may be underway.

The bond market rallied today. Ten-year government bond yields fell by 8.6 basis points to 3.679%, their lowest level since March 2004.

Concerns over the health of the U.S. economy have sparked strong gains for the Japanese Yen relative to the greenback. The yen rose to 106.79 per U.S. today, a level not seen since June 2005.

Oil prices weakened today over fears that a slowing U.S. economy will reduce demand for energy. Crude prices lost \$2.19 to \$92.01/barrel. Gold declined \$15.51 to \$888.63/ounce.

MOST ACTIVE BY VOLUME IN S&P/TSX	LAST PRICE	VAR DAY \$	VOLUME
Yamana Gold Inc (YRI)	\$16.41	-\$0.84	16,385,544
Talisman Energy Inc (TLM)	\$18.30	-\$1.16	7,453,179
Bombardier Inc (BBD/B)	\$5.28	-\$0.19	6,888,468
Canadian Imperial Bank of Commerce/Canada	\$70.00	-\$2.07	6,665,933
Kinross Gold Corp (K)	\$22.66	-\$1.20	6,471,914

MOST ACTIVE BY VOLUME IN S&P 500	LAST PRICE	VAR DAY \$	VOLUME
Citigroup Inc (C)	\$26.94	-\$2.12	55,743,900
Intel Corp (INTC)	\$22.69	-\$0.39	48,784,315
Apple Inc (AAPL)	\$169.04	-\$9.74	34,565,233
Microsoft Corp (MSFT)	\$34.00	-\$0.39	33,025,895
Cisco Systems Inc (CSCO)	\$25.85	-\$0.44	26,735,521

S&P/TSX INDUSTRY GROUP	DAILY % CHANGE	YTD
ENERGY	-3.25%	-1.91%
MATERIALS	-3.94%	5.62%
INDUSTRIALS	-1.63%	-7.17%
CONSUMER DISCRETIONARY	-2.37%	-11.23%
CONSUMER STAPLES	-1.48%	-2.64%
HEALTH CARE	-0.91%	-1.88%
FINANCIALS	-2.24%	-6.64%
INFORMATION TECHNOLOGY	-4.42%	-14.41%
TELECOMMUNICATIONS SERVICES	-1.06%	-7.69%
UTILITIES	-0.78%	-0.65%

INTEREST RATES	LAST YIELD	PREVIOUS
CAN GOVT 2 YR	3.25%	3.29%
CAN GOVT 5 YR	3.48%	3.50%
CAN GOVT 7 YR	3.61%	3.64%
CAN GOVT 10 YR	3.78%	3.81%
CAN GOVT 30 YR	4.04%	4.07%

CURRENCIES & COMMODITIES	LAST PRICE	PREVIOUS	1 YEAR AGO
OIL WTI (\$/BARREL)	\$92.01	\$94.20	\$52.99
GOLD SPOT (\$/OZ)	\$888.63	\$904.13	\$626.70
CAN/US	1.0178	1.0171	1.1683
CAN/EURO	1.5065	1.5122	1.5114
EURO/US	1.4804	1.4869	1.2938
YEN/US	106.790	108.170	120.430

Source: Bloomberg