

INDEX	CLOSE	NET CHANGE	DAILY % CHANGE	WEEKLY % CHANGE	% YTD	% LAST 12 MONTHS
Dow Jones Industrial Average	11 059.00	141.49	1.30%	-1.53%	-16.63%	-17.73%
S&P 500 Index	1 213.60	20.90	1.75%	-0.89%	-17.35%	-18.23%
Nasdaq Composite Index	2 207.90	27.99	1.28%	-0.09%	-16.75%	-15.15%
S&P/TSX Composite Index	12 227.00	-27.03	-0.22%	0.66%	-11.61%	-11.70%
FTSE 100 (UK)	5 025.60	-178.60	-3.43%	-7.20%	-22.17%	-20.09%
DAX (Germany)	5 965.17	-98.99	-1.63%	-4.30%	-26.06%	-20.44%
NIKKEI 225 (Japan)	11 609.70	-605.06	-4.95%	-6.38%	-24.16%	-28.01%
HANG SENG (Hong-Kong)	18 300.60	-1 052.30	-5.44%	-10.69%	-34.20%	-26.50%

MARKET REVIEW

The Fed stands pat

The U.S. Federal Reserve today decided to keep its target for the federal funds rate unchanged at 2%. In the communiqué announcing its decision, the FOMC stated that "the downside risks to growth and the upside risks to inflation are both of significant concern to the Committee." The Fed's move disappointed bond markets which expected a rate cut of at least 25 basis points.

Despite the Fed's inaction, markets were on a roller-coaster all day. U.S. bond yields surged after the Fed's announcement. Ten-year government bond yields rose to 3.503% from 3.387%. Two-year government bond yields rose by 35 basis points from this session's low of 1.559% to 1.908%.

In addition, yesterday's equity debacle, coupled with concerns over the impact of a possible collapse in AIG, spooked lenders. As a result, the inter-bank borrowing rate surged to 3.875 from 2.494 overnight.

U.S. equity markets rebounded today after an extremely poor performance on Monday. The Dow Jones Industrials Average rose 141.49 points, or 1.30%, to 11059. The S&P 500 Composite advanced 20.9 points, or 1.75%, to 1213.6. The Nasdaq Composite increased 27.99 points, or 1.28%, to 2207.9.

In Canada, the S&P/TSX Composite declined 27.03 points, or 0.22%, to 12227.

In other news, U.S. headline CPI inflation fell for the first time in August since October 2006. The 0.1% decrease was a sharp reversal from July's 0.8% increase. The fall stemmed from a 3.1% decrease in the energy component, which in large part resulted from a 4.2% correction in gasoline prices. On a month-over-month basis, headline CPI inflation rose by 5.4% from one-year ago, while the core index came in at 2.5%.

MOST ACTIVE BY VOLUME IN S&P/TSX	LAST PRICE	VAR DAY \$	VOLUME
UTS Energy Corp (UTS)	\$2.40	-\$0.55	21 531 872
BCE Inc (BCE)	\$37.18	-\$0.67	12 516 584
Bombardier Inc (BBD/B)	\$6.93	-\$0.08	12 065 813
Manulife Financial Corp (MFC)	\$36.00	-\$1.00	9 245 354
Royal Bank of Canada (RY)	\$46.50	-\$1.60	8 389 261

MOST ACTIVE BY VOLUME IN S&P 500	LAST PRICE	VAR DAY \$	VOLUME
American International Group Inc (AIG)	\$3.75	-\$1.01	113 081 600
Microsoft Corp (MSFT)	\$25.99	-\$0.82	50 803 252
Intel Corp (INTC)	\$19.48	\$0.14	46 299 597
Citigroup Inc (C)	\$15.75	\$0.51	41 048 400
General Electric Co (GE)	\$25.06	\$0.46	38 086 000

S&P/TSX INDUSTRY GROUP	DAILY % CHANGE	YTD
ENERGY	-0.46%	-8.13%
MATERIALS	2.78%	-12.78%
INDUSTRIALS	-0.67%	-3.03%
CONSUMER DISCRETIONARY	-0.12%	-23.43%
CONSUMER STAPLES	-0.39%	-6.90%
HEALTH CARE	-0.60%	-20.55%
FINANCIALS	-1.86%	-14.01%
INFORMATION TECHNOLOGY	2.59%	-8.88%
TELECOMMUNICATIONS SERVICES	-0.75%	-12.49%
UTILITIES	-1.13%	-10.53%

INTEREST RATES	LAST YIELD	PREVIOUS
CAN GOVT 2 YR	#VALUE!	#VALUE!
CAN GOVT 5 YR	#VALUE!	#VALUE!
CAN GOVT 7 YR	#VALUE!	#VALUE!
CAN GOVT 10 YR	#VALUE!	#VALUE!
CAN GOVT 30 YR	#VALUE!	#VALUE!

CURRENCIES & COMMODITIES	LAST PRICE	PREVIOUS	1 YEAR AGO
OIL WTI (\$/BARREL)	\$92.91	\$95.71	\$79.10
GOLD SPOT (\$/OZ)	\$778.83	\$786.65	\$707.60
CAD per USD	1.0678	1.0706	1.0299
CAD per EURO	1.5116	1.5248	1.4290
USD per EURO	1.4157	1.4243	1.3875
YEN per USD	106.270	104.660	115.360

Source: Bloomberg