

INDEX	CLOSE	NET CHANGE	DAILY % CHANGE	WEEKLY % CHANGE	% YTD	% LAST 12 MONTHS
Dow Jones Industrial Average	12,159.21	-306.95	-2.46%	-5.40%	-8.33%	-3.32%
S&P 500 Index	1,333.25	-39.95	-2.91%	-6.13%	-9.20%	-6.81%
Nasdaq Composite Index	2,346.90	-47.69	-1.99%	-5.69%	-11.51%	-5.34%
S&P/TSX Composite Index	12,795.65	-279.21	-2.14%	-6.21%	-7.50%	0.51%
FTSE 100 (UK)	5,902.40	-40.50	-0.68%	-5.15%	-8.59%	-4.87%
DAX (Germany)	7,413.53	-58.04	-0.78%	-3.88%	-8.10%	10.62%
NIKKEI 225 (Japan)	13,783.45	278.94	2.07%	-4.20%	-9.96%	-20.15%
HANG SENG (Hong-Kong)	25,114.98	664.13	2.72%	-7.77%	-9.70%	25.17%

MARKET REVIEW

Equity bears emerge from hibernation

North American stock markets are being hit hard this week by disappointing profit announcements and bad economic news. Today marked the third straight day of significant declines. The S&P/TSX Composite declined 279.21 points, or 2.14%, to 12795.65. The Dow Jones Industrials Average lost 306.95 points, or 2.46%, to 12159.21. The S&P 500 Composite retreated 39.95 points, or 2.91%, to 1333.25. The Nasdaq Composite pulled back 47.69 points, or 1.99%, to 2346.9.

Merrill Lynch & Co. announced a record US\$9.83 billion (US\$12.01 per share) fourth-quarter loss, including US\$15 billion in asset write-downs, the second largest this quarter among major U.S. financial institutions. Write-downs by U.S. financial institutions, which began in May 2007, have now passed the US\$100 billion mark. Merrill Lynch's stock price is now down 48% from its 2007 peak.

U.S. housing starts slipped more than expected in December as the market corrects for continued high home inventory levels. Starts declined by 14.2% to 1.006 million units compared to 1.187 million the month before. Housing starts are down 38.2% over the last twelve months and are now at their lowest level since May 1991.

U.S. Federal Reserve chairman Ben Bernanke today expressed concern regarding current economic conditions. In testimony to the U.S. House of Representatives, Bernanke said that more-expensive and less-available credit, increasing energy prices, lower equity prices and softening home values "seem likely to weigh on consumer spending." Bernanke made it clear that the downside risks to growth have recently become more pronounced and threaten the 2008 outlook.

The Canadian dollar fell to US\$0.9705 from US\$0.9751 as a result of increasing worries over slowing economic growth.

MOST ACTIVE BY VOLUME IN S&P/TSX	LAST PRICE	VAR DAY \$	VOLUME
BCE Inc (BCE)	\$36.53	-\$0.48	12,752,955
Bombardier Inc (BBD/B)	\$4.84	-\$0.38	11,187,340
Yamana Gold Inc (YRI)	\$15.25	-\$0.08	9,621,954
Breakwater Resources Ltd (BWR)	\$1.28	-\$0.13	9,104,181
Equinox Minerals Ltd (EQN)	\$4.89	-\$0.38	7,938,279

MOST ACTIVE BY VOLUME IN S&P 500	LAST PRICE	VAR DAY \$	VOLUME
Intel Corp (INTC)	\$19.35	-\$0.53	78,412,636
Citigroup Inc (C)	\$24.94	-\$1.30	58,515,000
Cisco Systems Inc (CSCO)	\$24.40	-\$0.74	52,121,477
Microsoft Corp (MSFT)	\$33.01	-\$0.23	51,715,699
General Electric Co (GE)	\$33.21	-\$1.35	28,180,900

S&P/TSX INDUSTRY GROUP	DAILY % CHANGE	YTD
ENERGY	-2.42%	-6.95%
MATERIALS	-4.00%	-2.55%
INDUSTRIALS	-1.66%	-9.82%
CONSUMER DISCRETIONARY	-0.87%	-12.54%
CONSUMER STAPLES	-0.16%	-5.05%
HEALTH CARE	-0.28%	-3.15%
FINANCIALS	-1.46%	-7.93%
INFORMATION TECHNOLOGY	-1.59%	-16.12%
TELECOMMUNICATIONS SERVICES	-0.71%	-10.52%
UTILITIES	-1.78%	-2.63%

INTEREST RATES	LAST YIELD	PREVIOUS
CAN GOVT 2 YR	3.24%	3.29%
CAN GOVT 5 YR	3.47%	3.52%
CAN GOVT 7 YR	3.60%	3.65%
CAN GOVT 10 YR	3.78%	3.82%
CAN GOVT 30 YR	4.06%	4.08%

CURRENCIES & COMMODITIES	LAST PRICE	PREVIOUS	1 YEAR AGO
OIL WTI (\$/BARREL)	\$89.95	\$90.84	\$52.24
GOLD SPOT (\$/OZ)	\$876.90	\$877.03	\$631.80
CAN/US	1.0305	1.0252	1.1727
CAN/EURO	1.5088	1.5023	1.5173
EURO/US	1.4643	1.4652	1.2938
YEN/US	106.655	107.640	120.670

Source: Bloomberg