



Market Review

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INDEX	CLOSE	NET CHANGE	DAILY % CHANGE	WEEKLY % CHANGE	% YTD	% LAST 12 MONTHS
Dow Jones Industrial Average	11 430.21	12.78	0.11%	-1.60%	-13.83%	-12.69%
S&P 500 Index	1 277.72	3.18	0.25%	-1.18%	-12.98%	-11.71%
Nasdaq Composite Index	2 380.38	-8.70	-0.36%	-2.99%	-10.25%	-5.59%
S&P/TSX Composite Index	13 539.22	189.08	1.42%	1.35%	-2.12%	2.27%
FTSE 100 (UK)	5 370.20	-1.60	-0.03%	-2.31%	-16.83%	-11.76%
DAX (Germany)	6 236.96	-80.84	-1.28%	-3.19%	-22.69%	-16.00%
NIKKEI 225 (Japan)	12 752.21	-99.48	-0.77%	-1.58%	-16.69%	-19.80%
HANG SENG (Hong-Kong)	20 392.06	-539.20	-2.58%	-4.68%	-26.68%	-6.15%

MARKET REVIEW

Commodity prices rally

The S&P/TSX index advanced today led by the Energy and Materials sectors, which gained ground due to rising commodity prices. The S&P/TSX Composite advanced 189.08 points, or 1.42%, to 13539.22.

Today's commodity price surge stemmed from several developments including the weak U.S. dollar, tensions in Russia (which are causing worries over oil supply) and renewed fears of financial instability. Crude prices rose \$6.61 to \$121.59/barrel. Gold increased \$22.58 to \$836.25/ounce.

Twelve-month headline Canadian CPI inflation rose to 3.4% in July from 3.1% in June. However the Bank of Canada's core index rose at the same pace (+1.5%) as last month. On a monthly basis, seasonally adjusted headline CPI increased by 0.35%, the smallest rise in four months. Prices in four of the eight key consumer price groups increased during the month. Food (+0.7%) and Shelter (0.8%) were the biggest gainers. Gasoline prices rose by 1.2% in July, their smallest increase in five-months. The seasonally-adjusted core inflation rate rose by 0.1%. Core goods prices continue to experience deflation (-3.3% y/y), while service inflation same in at 3.6%. On a regional basis, eight of ten provinces reported core CPI inflation (excluding food & energy) below 1.3%.

In other news, Canadian corporate profits rose by 2.5% to \$69.4 billion (operating profits) in Q2 of 2008, boosted by an increase in commodity prices. Fifteen of the 22 industries reported profit increases, with oil and gas extraction and manufacturing leading the way.

U.S. equity markets struggled today as crude oil prices spiked higher. The performance of financial stocks in particular remained soft, as concerns regarding the viability of certain institutions weighed heavily on the sector. The Dow Jones Industrials Average rose 12.78 points, or 0.11%, to 11430.21. The S&P 500 Composite increased 3.18 points, or 0.25%, to 1277.72. The Nasdaq Composite lost 8.7 points, or 0.36%, to 2380.38.

The U.S. greenback lost ground today against most major currencies. The loonie gained 1.6% against the greenback, rising to \$0.9588.

MOST ACTIVE BY VOLUME IN S&P/TSX	LAST PRICE	VAR DAY \$	VOLUME
Viterra Inc (VT)	\$11.30	-\$0.10	8 482 046
Yamana Gold Inc (YRI)	\$12.03	\$0.86	8 188 268
Eastern Platinum Ltd (ELR)	\$1.62	\$0.13	7 896 422
HudBay Minerals Inc (HBM)	\$11.40	\$0.39	5 583 343
Bombardier Inc (BBD/B)	\$7.53	\$0.02	5 423 630

MOST ACTIVE BY VOLUME IN S&P 500	LAST PRICE	VAR DAY \$	VOLUME
Intel Corp (INTC)	\$23.05	-\$0.34	23 118 262
Microsoft Corp (MSFT)	\$27.18	-\$0.11	16 952 786
Federal National Mortgage Association (FNM)	\$4.85	\$0.45	14 864 100
Ford Motor Co (F)	\$4.42	-\$0.19	12 250 600
Freddie Mac (FRE)	\$3.16	-\$0.09	12 045 600

S&P/TSX INDUSTRY GROUP	DAILY % CHANGE	YTD
ENERGY	2.28%	10.30%
MATERIALS	3.85%	3.71%
INDUSTRIALS	0.83%	0.68%
CONSUMER DISCRETIONARY	-0.35%	-22.50%
CONSUMER STAPLES	0.22%	-6.49%
HEALTH CARE	-1.38%	-14.70%
FINANCIALS	-0.36%	-14.25%
INFORMATION TECHNOLOGY	0.04%	13.34%
TELECOMMUNICATIONS SERVICES	1.59%	-9.44%
UTILITIES	0.74%	-4.40%

INTEREST RATES	LAST YIELD	PREVIOUS
CAN GOVT 2 YR	2.87%	2.82%
CAN GOVT 5 YR	3.13%	3.09%
CAN GOVT 7 YR	3.33%	3.30%
CAN GOVT 10 YR	3.60%	3.58%
CAN GOVT 30 YR	4.04%	4.03%

CURRENCIES & COMMODITIES	LAST PRICE	PREVIOUS	1 YEAR AGO
OIL WTI (\$/BARREL)	\$121.59	\$114.98	\$69.47
GOLD SPOT (\$/OZ)	\$836.25	\$813.67	\$657.30
CAD per USD	1.0427	1.0599	1.0622
CAD per EURO	1.5537	1.5631	1.4305
USD per EURO	1.4901	1.4747	1.3466
YEN per USD	108.440	109.860	114.430

Source: Bloomberg