

INDEX	CLOSE	NET CHANGE	DAILY % CHANGE	WEEKLY % CHANGE	% YTD	% LAST 12 MONTHS
Dow Jones Industrial Average	12 442.83	-37.47	-0.30%	1.41%	-6.20%	-0.64%
S&P 500 Index	1 355.81	-6.49	-0.48%	1.29%	-7.67%	-5.11%
Nasdaq Composite Index	2 349.00	-9.06	-0.38%	1.41%	-11.43%	-4.07%
S&P/TSX Composite Index	12 998.22	-48.23	-0.37%	2.69%	-6.04%	-0.13%
FTSE 100 (UK)	5 837.30	-47.90	-0.81%	4.06%	-9.60%	-6.48%
DAX (Germany)	6 875.35	-17.61	-0.26%	6.77%	-14.78%	1.28%
NIKKEI 225 (Japan)	13 345.03	-133.83	-0.99%	4.02%	-12.82%	-23.70%
HANG SENG (Hong-Kong)	23 653.69	-638.11	-2.63%	-1.81%	-14.95%	15.61%

## MARKET REVIEW

### U.S. Federal Reserve lowers rate to 3% after U.S. GDP slow to 0.6%

U.S. and Canadian equities was virtually unchanged despite that the Federal Reserve cut its policy rate by 50 basis points to 3.0%. The S&P/TSX Composite retreated 48.23 points, or 0.37%, to 12998.2. The Dow Jones Industrials Average pulled back 37.47 points, or 0.30%, to 12442.83. The S&P 500 Composite declined 6.49 points, or 0.48%, to 1355.81. The Nasdaq Composite lost 9.06 points, or 0.38%, to 2349.

In the press release announcing its decision the Federal Open Market Committee (FOMC) stated that "Financial markets remain under considerable stress, and credit has tightened further for some businesses and households." The FOMC also acknowledged that a deepening housing contraction was taking place and that the labour market was softening. The Fed has now cut rates by 225 basis points since September 2007.

In other news, the U.S. economy slowed more than expected during the fourth quarter of 2007 with real GDP estimated to have increased at an annual rate of 0.6%, compared to 4.9% in the third quarter. Personal Consumption Expenditures decelerated to 2.0% from 2.8%, while private inventory investment subtracted 1.25 percentage points from real GDP growth.

Yahoo!'s profits fell 23% in the fourth quarter to US\$206 million (\$0.15 per share) compared to US\$269 million (\$0.19 per share) for the same period last year. Yahoo! also said that it would require large investments to get ahead in new advertising and mobile markets.

UBS AG, reported a record US\$11.4 billion fourth-quarter loss, including US\$14 billion in write-offs. Europe's largest bank by assets, has now written down over US\$18 billion this year related to U.S. residential mortgage investments. UBS shares have fallen by as much as 39% from their April 2007 peak.

MOST ACTIVE BY VOLUME IN S&P/TSX	LAST PRICE	VAR DAY \$	VOLUME
BCE Inc (BCE)	\$34.00	-\$0.44	19 252 453
Breakwater Resources Ltd (BWR)	\$1.49	\$0.14	18 403 691
Bombardier Inc (BBD/B)	\$4.88	-\$0.11	7 732 479
Talisman Energy Inc (TLM)	\$15.98	-\$0.12	7 585 236
Yamana Gold Inc (YRI)	\$16.88	\$0.61	6 899 784

MOST ACTIVE BY VOLUME IN S&P 500	LAST PRICE	VAR DAY \$	VOLUME
Yahoo! Inc (YHOO)	\$19.05	-\$1.76	51 520 025
Intel Corp (INTC)	\$20.69	\$0.19	48 951 656
Microsoft Corp (MSFT)	\$32.20	-\$0.40	48 812 744
Citigroup Inc (C)	\$27.87	-\$0.04	37 613 000
Cisco Systems Inc (CSCO)	\$24.36	\$0.30	32 958 519

S&P/TSX INDUSTRY GROUP	DAILY % CHANGE	YTD
ENERGY	0.51%	-7.93%
MATERIALS	-0.43%	3.73%
INDUSTRIALS	-1.60%	-6.05%
CONSUMER DISCRETIONARY	-2.72%	-13.19%
CONSUMER STAPLES	-1.02%	-7.49%
HEALTH CARE	-0.14%	-7.38%
FINANCIALS	-1.05%	-6.08%
INFORMATION TECHNOLOGY	1.47%	-14.53%
TELECOMMUNICATIONS SERVICES	-1.41%	-13.63%
UTILITIES	0.50%	-3.00%

INTEREST RATES	LAST YIELD	PREVIOUS
CAN GOVT 2 YR	3.21%	3.29%
CAN GOVT 5 YR	3.52%	3.55%
CAN GOVT 7 YR	3.68%	3.70%
CAN GOVT 10 YR	3.90%	3.90%
CAN GOVT 30 YR	4.20%	4.17%

CURRENCIES & COMMODITIES	LAST PRICE	PREVIOUS	1 YEAR AGO
OIL WTI (\$/BARREL)	\$91.87	\$91.64	\$56.97
GOLD SPOT (\$/OZ)	\$929.20	\$923.63	\$647.30
CAD per USD	0.9926	0.9984	1.1793
CAD per EURO	1.4771	1.4752	1.5295
EURO per USD	1.4878	1.4777	1.2970
YEN per USD	106.460	107.100	121.630

Source: Bloomberg