

# Market Review

October 5, 2009

INDEX	CLOSE	NET CHANGE	DAILY % CHANGE	WEEKLY % CHANGE	% YTD	% LAST 12 MONTHS
Dow Jones Industrial Average	9 599.75	112.08	1.18%	-1.94%	9.38%	-7.03%
S&P 500 Index	1 040.46	15.25	1.49%	-2.12%	15.19%	-5.35%
Nasdaq Composite Index	2 068.15	20.04	0.98%	-2.94%	31.14%	6.20%
S&P/TSX Composite Index	11 102.62	144.29	1.32%	-2.08%	23.53%	2.77%
FTSE 100 (UK)	5 024.33	35.63	0.71%	-2.74%	13.31%	0.89%
DAX (Germany)	5 508.85	40.95	0.75%	-3.97%	14.52%	-4.97%
NIKKEI 225 (Japan)	9 674.49	-57.38	-0.59%	-3.35%	9.20%	-11.55%
HANG SENG (Hong-Kong)	20 429.07	53.58	0.26%	-0.77%	41.99%	15.53%

## MARKET REVIEW

### Financial Stocks Move Higher on Upgrade

An upgrade of financial stocks by Goldman Sachs and a surprisingly strong reading of U.S. service-sector activity nudged the U.S. stock market higher Monday as investors' recent jitters about the economy faded. Analysts at Goldman Sachs indicated that they are more optimistic about large U.S. banks, raising their coverage view on the sector to attractive from neutral. Wells Fargo shares were up 5.6% after Goldman upgraded the bank to buy. Capital One Financial, which Goldman added to its conviction buy list, gained nearly 6.4%. In economic news, the Institute for Supply Management said its monthly non-manufacturing index, a measure of the U.S. service sector's health, rose to 50.9 in September, up from 48.4 in August. Later in the week, companies will begin reporting third-quarter earnings results, with Alcoa due to report late Wednesday. Alcoa shares were recently up 2.9%. Analysts expect companies in the S&P to show a 25% decline in combined profits, slightly better than the 27% decline in the second quarter, according to Thomson Reuters data. The Dow Jones Industrials Average rose 112.08 points, or 1.18%, to 9599.75. The S&P 500 Composite advanced 15.25 points, or 1.49%, to 1040.46. The Nasdaq Composite gained 20.04 points, or 0.98%, to 2068.15.

Canadian stocks rose for the first time in four days, led by financials and commodity-linked companies, as an expansion in U.S. service industries in September signaled the economic recovery is spreading. "From this point forward, the market's going to be driven by economic data," said Ted Whitehead, a money manager at MFC Global Investment Management in Toronto. "The bounce from March to September was based on the financial crisis ending, and now the market wants to see that the recession is over." BlackBerry maker Research In Motion rose after its rating was boosted to "buy" from "hold" by analyst Charlie Wolf of Needham & Co. Inc.. The S&P/TSX Composite increased 144.29 points, or 1.32%, to 11102.62.

Crude prices rose \$0.41 to \$70.36/barrel.  
Gold advanced \$14.70 to \$1017.50/ounce.

MOST ACTIVE BY VOLUME IN S&P/TSX	LAST PRICE	VAR DAY \$	VOLUME
Canadian Hydro Developers Inc (KHD)	\$5.22	\$0.21	24 754 292
Lundin Mining Corp (LUN)	\$3.63	\$0.21	6 258 562
Equinox Minerals Ltd (EQN)	\$3.12	-\$0.03	5 512 275
Yamana Gold Inc (YRI)	\$11.18	\$0.34	5 303 463
New Gold Inc (NGD)	\$4.16	\$0.25	4 901 863

MOST ACTIVE BY VOLUME IN S&P 500	LAST PRICE	VAR DAY \$	VOLUME
Citigroup Inc (C)	\$4.67	\$0.15	44 999 800
Bank of America Corp (BAC)	\$16.96	\$0.62	23 686 100
Microsoft Corp (MSFT)	\$24.64	-\$0.32	18 990 405
Intel Corp (INTC)	\$19.10	\$0.13	18 803 127
E*Trade Financial Corp (ETFC)	\$1.72	\$0.04	15 456 702

S&P/TSX INDUSTRY GROUP	DAILY % CHANGE	YTD
ENERGY	1.77%	25.71%
MATERIALS	1.56%	22.29%
INDUSTRIALS	0.87%	12.23%
CONSUMER DISCRETIONARY	0.79%	4.34%
CONSUMER STAPLES	0.46%	-1.56%
HEALTH CARE	-0.32%	30.04%
FINANCIALS	1.43%	36.46%
INFORMATION TECHNOLOGY	-0.66%	39.65%
TELECOMMUNICATIONS SERVICES	0.18%	-6.79%
UTILITIES	1.27%	0.13%

INTEREST RATES	LAST YIELD	PREVIOUS
CAN GOVT 2 YR	1.18%	1.19%
CAN GOVT 5 YR	2.49%	2.50%
CAN GOVT 7 YR	2.75%	2.77%
CAN GOVT 10 YR	3.24%	3.26%
CAN GOVT 30 YR	3.81%	3.82%

CURRENCIES & COMMODITIES	LAST PRICE	PREVIOUS	1 YEAR AGO
OIL WTI (\$/BARREL)	\$70.36	\$69.95	\$93.88
GOLD SPOT (\$/OZ)	\$1 017.50	\$1 002.80	\$835.50
CAD per USD	1.0699	1.0797	1.0827
CAD per EURO	1.5684	1.5739	1.4909
USD per EURO	1.4658	1.4576	1.3772
YEN per USD	89.530	89.810	105.320

Source: Bloomberg



1) National Bank Financial Group is an indirect wholly-owned subsidiary of National Bank of Canada.  
2) National Bank of Canada is a public company listed on Canadian stock exchanges.  
3) National Bank Financial Group may act as financial advisor, fiscal agent or underwriter for certain companies mentioned herein and may receive remuneration for its services.  
4) National Bank Financial and/or its officers, directors, representatives or associates may have a position in the securities mentioned herein and may make purchases and/or sales of these securities from time to time in the open market or otherwise.  
5) The information contained herein was obtained from sources which we believe to be reliable, however we cannot represent that it is accurate or complete.  
6) This is not a recommendation for any security or investment sector as it may not be suitable for all types of investors. Please contact your investment advisor before purchase to discuss your investor profile and to further discuss these risk factors.