

# Market Review

July 20, 2010

| INDEX                        | CLOSE     | NET CHANGE | DAILY % CHANGE | WEEKLY % CHANGE | % YTD   | % LAST 12 MONTHS |
|------------------------------|-----------|------------|----------------|-----------------|---------|------------------|
| Dow Jones Industrial Average | 10 229.96 | 75.53      | 0.74%          | -1.28%          | -1.90%  | 15.62%           |
| S&P 500 Index                | 1 083.48  | 12.23      | 1.14%          | -1.08%          | -2.84%  | 13.92%           |
| Nasdaq Composite Index       | 2 222.49  | 24.26      | 1.10%          | -0.87%          | -2.06%  | 16.40%           |
| S&P/TSX Composite Index      | 11 629.88 | 86.41      | 0.75%          | -0.37%          | -0.99%  | 10.33%           |
| FTSE 100 (UK)                | 5 139.46  | -8.82      | -0.17%         | -2.50%          | -5.05%  | 15.66%           |
| DAX (Germany)                | 5 967.49  | -41.62     | -0.69%         | -3.61%          | 0.17%   | 18.63%           |
| NIKKEI 225 (Japan)           | 9 300.46  | -107.90    | -1.15%         | -2.48%          | -11.81% | -1.01%           |
| HANG SENG (Hong-Kong)        | 20 264.59 | 173.64     | 0.86%          | -0.81%          | -7.35%  | 3.91%            |

## MARKET REVIEW

### Canada Raises Key Rate

The Bank of Canada increased its benchmark lending rate for a second month, and said economic growth will be slower through next year, giving policy makers more leeway in deciding how fast to raise rates. The Bank of Canada raised the target rate for overnight loans between commercial banks a quarter point to 0.75 percent. They also cut the growth forecast to 3.5 percent from 3.7 percent for this year and to 2.9 percent from 3.1 percent for 2011.

In US economic news, housing starts fell in June to the lowest level since October as a slump in sales following the expiration of a government tax incentive caused U.S. builders to cut back. Work began on 549,000 houses at an annual rate last month, fewer than the median estimate.

The Dow Jones Industrials Average advanced 75.53 points, or 0.74%, to 10229.96. The S&P 500 Composite increased 12.23 points, or 1.14%, to 1083.48. The Nasdaq Composite gained 24.26 points, or 1.10%, to 2222.49. The S&P/TSX Composite rose 86.41 points, or 0.75%, to 11629.88.

In Corporate news, Goldman Sachs Group Inc. announced that its second-quarter profit dropped 82 percent, missing analysts' estimates on a slide in trading revenue. The announcement came five days after settling U.S. regulators' fraud allegations. Revenue and earnings were the lowest since the fourth quarter of 2008. IBM and Texas Instruments sank more than 2.9 percent as they joined Bank of America Corp. and General Electric Co. in posting revenue that missed analysts' estimates as the slowing economic rebound makes it difficult to stimulate demand.

Air Canada, the country's largest airline, plans to sell through a private offering \$900 million of five-year notes denominated in U.S. and Canadian currency. Bombardier announced that it has sold approximately \$800 million worth of business jets at the Farnborough International Air Show.

| MOST ACTIVE BY VOLUME IN S&P/TSX | LAST PRICE | VAR DAY \$ | VOLUME     |
|----------------------------------|------------|------------|------------|
| UTS Energy Corp (UTS)            | \$3.62     | \$0.03     | 14 026 258 |
| Bombardier Inc (BBD/B)           | \$4.66     | \$0.23     | 13 182 800 |
| Manulife Financial Corp (MFC)    | \$14.99    | \$0.20     | 5 916 445  |
| Research In Motion Ltd (RIM)     | \$57.69    | \$0.42     | 5 395 366  |
| Lundin Mining Corp (LUN)         | \$3.61     | \$0.10     | 4 753 674  |

| MOST ACTIVE BY VOLUME IN S&P 500 | LAST PRICE | VAR DAY \$ | VOLUME     |
|----------------------------------|------------|------------|------------|
| Citigroup Inc (C)                | \$3.99     | \$0.01     | 55 243 700 |
| Bank of America Corp (BAC)       | \$13.77    | \$0.16     | 25 707 300 |
| Cisco Systems Inc (CSCO)         | \$23.05    | \$0.32     | 23 913 896 |
| Intel Corp (INTC)                | \$21.65    | \$0.06     | 20 248 480 |
| General Electric Co (GE)         | \$14.94    | \$0.32     | 15 211 200 |

| S&P/TSX INDUSTRY GROUP      | DAILY % CHANGE | YTD     |
|-----------------------------|----------------|---------|
| ENERGY                      | 0.98%          | -3.72%  |
| MATERIALS                   | 1.49%          | -1.42%  |
| INDUSTRIALS                 | 0.93%          | 2.28%   |
| CONSUMER DISCRETIONARY      | 0.51%          | 10.12%  |
| CONSUMER STAPLES            | 1.04%          | -2.71%  |
| HEALTH CARE                 | -2.95%         | 21.05%  |
| FINANCIALS                  | 0.24%          | -0.85%  |
| INFORMATION TECHNOLOGY      | 0.33%          | -13.66% |
| TELECOMMUNICATIONS SERVICES | -0.12%         | 10.39%  |
| UTILITIES                   | 1.44%          | 0.78%   |

| INTEREST RATES | LAST YIELD | PREVIOUS |
|----------------|------------|----------|
| CAN GOVT 2 YR  | 1.59%      | 1.53%    |
| CAN GOVT 5 YR  | 2.41%      | 2.38%    |
| CAN GOVT 7 YR  | 2.81%      | 2.79%    |
| CAN GOVT 10 YR | 3.20%      | 3.16%    |
| CAN GOVT 30 YR | 3.77%      | 3.74%    |

| CURRENCIES & COMMODITIES | LAST PRICE | PREVIOUS   | 1 YEAR AGO |
|--------------------------|------------|------------|------------|
| OIL WTI (\$/BARREL)      | \$77.44    | \$76.54    | \$63.98    |
| GOLD SPOT (\$/OZ)        | \$1 192.60 | \$1 182.95 | \$948.70   |
| CAD per USD              | 1.0443     | 1.0549     | 1.1062     |
| CAD per EURO             | 1.3453     | 1.3653     | 1.5744     |
| USD per EURO             | 1.2883     | 1.2942     | 1.4231     |
| YEN per USD              | 87.540     | 86.690     | 94.190     |

Source: Bloomberg

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