

Market Review

August 11, 2010

INDEX	CLOSE	NET CHANGE	DAILY % CHANGE	WEEKLY % CHANGE	% YTD	% LAST 12 MONTHS
Dow Jones Industrial Average	10 378.83	-265.42	-2.49%	-2.82%	-0.47%	12.31%
S&P 500 Index	1 089.47	-31.59	-2.82%	-3.35%	-2.30%	9.57%
Nasdaq Composite Index	2 208.63	-68.54	-3.01%	-4.12%	-2.67%	12.13%
S&P/TSX Composite Index	11 582.21	-256.08	-2.16%	-2.22%	-1.40%	8.96%
FTSE 100 (UK)	5 245.21	-131.20	-2.44%	-2.62%	-3.10%	12.28%
DAX (Germany)	6 154.07	-132.18	-2.10%	-2.80%	3.30%	16.43%
NIKKEI 225 (Japan)	9 292.85	-258.20	-2.70%	-2.07%	-11.89%	-12.21%
HANG SENG (Hong-Kong)	21 294.54	-179.06	-0.83%	-1.18%	-2.64%	1.05%

MARKET REVIEW

Stocks Drop, Treasuries Rally on Growth Concern

Stocks plunged, sending the MSCI World Index to its biggest drop since June, and Treasuries led a rally in government bonds on concern that the U.S. economic recovery is faltering. The dollar surged the most in 19 months against the euro. The Federal Reserve's statement yesterday that the recovery is weakening and would require fresh stimulus was followed by an announcement that China's industrial output rose the least in 11 months, adding to signs that the world's third-biggest economy is slowing. "We're in a worldwide soft patch and investors wonder why the Fed didn't do more," said James Swanson, chief investment strategist at Boston-based MFS Investment Management, which oversees about \$197 billion. "People are dumping stocks because they're afraid earnings will decelerate and the economy is losing steam." The Dow Jones Industrials Average declined 265.42 points, or 2.49%, to 10378.83. The S&P 500 Composite pulled back 31.59 points, or 2.82%, to 1089.47. The Nasdaq Composite retreated 68.54 points, or 3.01%, to 2208.63.

America's trade deficit unexpectedly widened in June to the highest level since October 2008 as consumer goods imports rose to a record and exports declined.

Canadian stocks fell the most since July 21 as markets around the world slumped after the U.S. Federal Reserve's plan wasn't enough to assuage concern the economic recovery is faltering and copper and oil declined. "People are digesting (the Fed) comments and they haven't encouraged people too much," said David Cockfield, senior vice president and portfolio manager at MacNicol and Associates Asset Management. "The realization is sinking in that it's going to be a long, hard grind ahead for the U.S. economy. Of course that feeds back into Canada as well." The S&P/TSX Composite lost 256.08 points, or 2.16%, to 11582.21.

Canada's dollar dropped to the lowest level in almost three weeks as commodities and stocks tumbled. The currency weakened against most of its major counterparts as a report showed Canada's trade deficit unexpectedly widened in June on falling sales of gold, energy and automobiles. Crude prices declined \$2.76 to \$77.49/barrel. Gold pulled back \$5.65 to \$1198.60/ounce.

MOST ACTIVE BY VOLUME IN S&P/TSX	LAST PRICE	VAR DAY \$	VOLUME
Manulife Financial Corp (MFC)	\$13.38	-\$0.63	9 447 435
Suncor Energy Inc (SU)	\$33.35	-\$1.38	4 793 458
RONA Inc (RON)	\$13.50	\$0.75	4 324 088
Canadian Natural Resources Ltd (CNQ)	\$34.69	-\$1.44	4 253 504
Kinross Gold Corp (K)	\$15.93	-\$0.20	4 245 132

MOST ACTIVE BY VOLUME IN S&P 500	LAST PRICE	VAR DAY \$	VOLUME
Citigroup Inc (C)	\$3.84	-\$0.16	64 993 900
Bank of America Corp (BAC)	\$13.19	-\$0.44	32 501 800
Intel Corp (INTC)	\$19.41	-\$0.43	23 992 248
Microsoft Corp (MSFT)	\$24.84	-\$0.20	23 781 434
Cisco Systems Inc (CSCO)	\$23.67	-\$0.68	19 299 744

S&P/TSX INDUSTRY GROUP	DAILY % CHANGE	YTD
ENERGY	-2.56%	-5.67%
MATERIALS	-2.00%	2.02%
INDUSTRIALS	-2.89%	3.02%
CONSUMER DISCRETIONARY	-2.30%	8.42%
CONSUMER STAPLES	-1.33%	-2.85%
HEALTH CARE	-0.51%	30.67%
FINANCIALS	-2.33%	-2.51%
INFORMATION TECHNOLOGY	1.04%	-13.63%
TELECOMMUNICATIONS SERVICES	-0.94%	10.14%
UTILITIES	-1.58%	-0.46%

INTEREST RATES	LAST YIELD	PREVIOUS
CAN GOVT 2 YR	1.34%	1.44%
CAN GOVT 5 YR	2.12%	2.23%
CAN GOVT 7 YR	2.53%	2.64%
CAN GOVT 10 YR	2.97%	3.05%
CAN GOVT 30 YR	3.60%	3.64%

CURRENCIES & COMMODITIES	LAST PRICE	PREVIOUS	1 YEAR AGO
OIL WTI (\$/BARREL)	\$77.49	\$80.25	\$69.45
GOLD SPOT (\$/OZ)	\$1 198.60	\$1 204.25	\$946.10
CAD per USD	1.0462	1.0314	1.1017
CAD per EURO	1.3466	1.3590	1.5589
USD per EURO	1.2871	1.3177	1.4149
YEN per USD	85.390	85.440	95.990

Source: Bloomberg



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