

# Market Review

August 20, 2010

INDEX	CLOSE	NET CHANGE	DAILY % CHANGE	WEEKLY % CHANGE	% YTD	% LAST 12 MONTHS
Dow Jones Industrial Average	10,213.62	-57.59	-0.56%	-0.87%	-2.06%	9.24%
S&P 500 Index	1,071.69	-3.94	-0.37%	-0.70%	-3.89%	6.38%
Nasdaq Composite Index	2,179.76	0.81	0.04%	0.29%	-3.94%	9.58%
S&P/TSX Composite Index	11,722.07	11.89	0.10%	1.68%	-0.20%	9.55%
FTSE 100 (UK)	5,195.28	-16.01	-0.31%	-1.52%	-4.02%	9.22%
DAX (Germany)	6,005.16	-69.97	-1.15%	-1.72%	0.80%	13.07%
NIKKEI 225 (Japan)	9,179.38	-183.30	-1.96%	-0.80%	-12.96%	-11.60%
HANG SENG (Hong-Kong)	20,981.82	-90.64	-0.43%	-0.43%	-4.07%	3.21%

## MARKET REVIEW

### Canada Inflation Quickens on Taxes; Core Rate Slows

The cost of living in Canada climbed less than forecast in July, prompting investors to pare bets the Bank of Canada will raise interest rates again as early as next month.

The consumer price index rose 1.8 percent in July from a year ago following June's 1 percent gain. The rise reflected a new sales tax in two provinces and fell short of forecasts for a 1.9 percent rate. Underlying inflation as measured by the core rate, which excludes eight volatile items and changes to indirect taxes, unexpectedly decelerated. The measure of core inflation decelerated to 1.6 percent from 1.7 percent. Economists forecast the core inflation rate would accelerate to 1.8 percent.

Payrolls increased in 37 U.S. states in July, led by a jump in Michigan that may reflect a gain in auto making. Employers in Michigan added 27,800 jobs last month, the most since October. Massachusetts, New York and Minnesota rounded out the four states with the biggest job gains. Employment in the District of Columbia climbed by 17,800, the most since records began in 1990.

Stocks, commodities and the euro dropped amid concern the U.S. economic recovery is in peril and after European Central Bank council member Axel Weber said the ECB shouldn't withdraw stimulus before the end of the year. The Dow Jones Industrials Average retreated 57.59 points, or 0.56%, to 10213.62. The S&P 500 Composite lost 3.94 points, or 0.37%, to 1071.69. The Nasdaq Composite gained 0.81 points, or 0.04%, to 2179.76. Canadian stocks swung between gains and losses as energy producers dropped with oil prices on concern the recovery in the U.S. is faltering while financial companies advanced. The S&P/TSX Composite increased 11.89 points, or 0.10%, to 11722.07.

Crude oil fell to a six-week low as rising U.S. jobless claims bolstered concern that the economic recovery in the biggest oil-consuming nation is faltering. Crude prices retreated \$0.97 to \$73.46/barrel.

Gold prices fell the most in three weeks as investors sold equities and commodities including the precious metal to retain cash on mounting evidence of an economic slowdown. Gold lost \$3.87 to \$1228.28/ounce.

MOST ACTIVE BY VOLUME IN S&P/TSX	LAST PRICE	VAR DAY \$	VOLUME
Eastern Platinum Ltd (ELR)	\$1.08	\$0.07	17,196,270
Lundin Mining Corp (LUN)	\$4.12	\$0.14	10,395,967
Manulife Financial Corp (MFC)	\$12.33	\$0.02	6,626,051
Encana Corp (ECA)	\$29.05	-\$0.19	3,974,227
Kinross Gold Corp (K)	\$16.21	\$0.00	3,953,645

MOST ACTIVE BY VOLUME IN S&P 500	LAST PRICE	VAR DAY \$	VOLUME
Citigroup Inc (C)	\$3.75	-\$0.04	80,159,600
Bank of America Corp (BAC)	\$12.87	-\$0.15	32,954,800
Intel Corp (INTC)	\$18.91	-\$0.05	27,572,828
General Electric Co (GE)	\$15.03	-\$0.22	22,183,600
Microsoft Corp (MSFT)	\$24.23	-\$0.22	21,164,355

S&P/TSX INDUSTRY GROUP	DAILY % CHANGE	YTD
ENERGY	-0.28%	-7.23%
MATERIALS	0.18%	11.34%
INDUSTRIALS	0.16%	3.47%
CONSUMER DISCRETIONARY	0.34%	10.52%
CONSUMER STAPLES	0.27%	-0.14%
HEALTH CARE	1.11%	31.59%
FINANCIALS	0.37%	-3.46%
INFORMATION TECHNOLOGY	-1.75%	-21.65%
TELECOMMUNICATIONS SERVICES	0.59%	12.87%
UTILITIES	0.34%	0.22%

INTEREST RATES	LAST YIELD	PREVIOUS
CAN GOVT 2 YR	1.31%	1.37%
CAN GOVT 5 YR	2.20%	2.23%
CAN GOVT 7 YR	2.49%	2.50%
CAN GOVT 10 YR	2.93%	2.92%
CAN GOVT 30 YR	3.53%	3.52%

CURRENCIES & COMMODITIES	LAST PRICE	PREVIOUS	1 YEAR AGO
OIL WTI (\$/BARREL)	\$73.46	\$74.43	\$72.54
GOLD SPOT (\$/OZ)	\$1,228.28	\$1,232.15	\$940.65
CAD per USD	1.0484	1.0404	1.0869
CAD per EURO	1.3329	1.3341	1.5492
USD per EURO	1.2715	1.2823	1.4254
YEN per USD	85.610	85.390	94.190

Source: Bloomberg



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