

Market Review

January 26, 2012

INDEX	CLOSE	NET CHANGE	DAILY % CHANGE	WEEKLY % CHANGE	% YTD	% LAST 12 MONTHS
Dow Jones Industrial Average	12,734.63	-22.33	-0.18%	0.88%	4.23%	6.25%
S&P 500 Index	1,318.45	-7.60	-0.57%	0.30%	4.84%	1.68%
Nasdaq Composite Index	2,805.28	-13.03	-0.46%	0.61%	7.68%	2.40%
S&P/TSX Composite Index	12,464.32	-74.89	-0.60%	0.68%	4.26%	-7.44%
FTSE 100 (UK)	5,795.20	72.20	1.26%	0.94%	4.00%	-2.92%
DAX (Germany)	6,539.85	118.00	1.84%	1.93%	10.88%	-8.24%
NIKKEI 225 (Japan)	8,849.47	-34.22	-0.39%	2.43%	4.66%	-14.92%
HANG SENG (Hong-Kong)	20,439.14	328.77	1.63%	2.49%	10.88%	-14.28%

MARKET REVIEW

Sales of U.S. New Homes Unexpectedly Decline in December

Sales of new U.S. homes unexpectedly declined in December for the first time in four months, capping the slowest year on record for builders. Purchases of single-family properties decreased 2.2 percent to a 307,000 annual pace. The median forecast of economists called for a rate of 321,000 home sales. Last year marked the worst year for the industry in records going back to 1963.

U.S. stocks fell, reversing a rally that sent the Dow Jones Industrial Average toward its highest level since May 2008, as banks tumbled and a report showed that sales of new homes unexpectedly fell in December. The Dow Jones Industrials Average retreated 22.33 points, or 0.18%, to 12734.63. The S&P 500 Composite lost 7.6 points, or 0.57%, to 1318.45. The Nasdaq Composite declined 13.03 points, or 0.46%, to 2805.28.

Banks had the biggest decline in the Standard & Poor's 500 Index among 24 industries, slumping over 3 percent as a group. Wells Fargo & Co. and Fifth Third Bancorp dropped at least 3.3 percent. PulteGroup Inc. and Lennar Corp. decreased more than 2 percent to pace losses in homebuilders. AT&T Inc., the largest U.S. phone company, slid over 2 percent after predicting earnings that trailed analysts' estimates.

Other U.S. economic reports showed mixed results: Orders for U.S. durable goods climbed more than forecast in December. Bookings for long-lasting goods advanced 3 percent after rising 4.3 percent the prior month, the biggest back-to-back gains in almost a year. The Conference Board's gauge of the outlook for the next three to six months increased 0.4 percent after climbing 0.2 percent in November. The median forecast of economists called for a gain of 0.7 percent. Applications for unemployment insurance payments climbed by 21,000 to 377,000 in the week ended Jan. 21, up from an almost four-year low in the prior period. The median forecast of economists projected 370,000.

Canadian stocks also fell from a four-month high as financial companies dropped after the U.S. reported a decline in monthly new-home sales. The S&P/TSX Composite pulled back 74.89 points, or 0.60%, to 12464.32. Crude prices increased \$0.30 to \$99.70/barrel. Gold advanced \$11.08 to \$1721.65/ounce. Manulife Financial Corp., North America's fourth-largest insurer, lost over 4 percent after some analysts reduced their rating on the shares. Goldcorp Inc., the world's second-largest gold producer by market value, gained 1.7 percent as the metal advanced for a second day after the U.S. Federal Reserve extended its low-interest-rate pledge.

MOST ACTIVE BY VOLUME IN S&P/TSX	LAST PRICE	VAR DAY \$	VOLUME
Bombardier Inc (BBD/B)	\$4.62	-\$0.19	8,375,647
Manulife Financial Corp (MFC)	\$11.91	-\$0.64	8,093,573
Kinross Gold Corp (K)	\$11.48	\$0.18	7,224,353
Talisman Energy Inc (TLM)	\$11.90	-\$0.35	6,532,638
B2Gold Corp (BTO)	\$3.67	\$0.08	6,512,871

MOST ACTIVE BY VOLUME IN S&P 500	LAST PRICE	VAR DAY \$	VOLUME
Bank of America Corp (BAC)	\$7.30	-\$0.05	23,288,321
Intel Corp (INTC)	\$26.75	-\$0.14	13,689,130
Microsoft Corp (MSFT)	\$29.50	-\$0.06	12,101,631
Cisco Systems Inc (CSCO)	\$19.83	\$0.00	10,122,320
Micron Technology Inc (MU)	\$7.55	-\$0.30	9,460,668

S&P/TSX INDUSTRY GROUP	DAILY % CHANGE	YTD
ENERGY	-0.72%	3.54%
MATERIALS	0.90%	9.96%
INDUSTRIALS	-0.31%	2.94%
CONSUMER DISCRETIONARY	-1.00%	3.42%
CONSUMER STAPLES	-0.60%	-1.72%
HEALTH CARE	-2.35%	5.31%
FINANCIALS	-1.54%	3.40%
INFORMATION TECHNOLOGY	0.00%	3.65%
TELECOMMUNICATIONS SERVICES	-0.80%	-2.93%
UTILITIES	-0.05%	-1.36%

INTEREST RATES	LAST YIELD	PREVIOUS
CAN GOVT 2 YR	1.01%	1.02%
CAN GOVT 5 YR	1.33%	1.36%
CAN GOVT 7 YR	1.56%	1.58%
CAN GOVT 10 YR	2.02%	2.04%
CAN GOVT 30 YR	2.62%	2.65%

CURRENCIES & COMMODITIES	LAST PRICE	PREVIOUS	1 YEAR AGO
OIL WTI (\$/BARREL)	\$99.70	\$99.40	\$87.33
GOLD SPOT (\$/OZ)	\$1,721.65	\$1,710.57	\$1,345.85
CAD per USD	1.0016	1.0043	0.9940
CAD per EURO	1.3124	1.3164	1.3631
USD per EURO	1.3102	1.3106	1.3713
YEN per USD	77.440	77.780	82.170

Source: Bloomberg

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