

# Market Review

September 2, 2010

INDEX	CLOSE	NET CHANGE	DAILY % CHANGE	WEEKLY % CHANGE	% YTD	% LAST 12 MONTHS
Dow Jones Industrial Average	10 320.10	50.63	0.49%	3.35%	-1.04%	11.20%
S&P 500 Index	1 090.10	9.81	0.91%	4.09%	-2.24%	9.59%
Nasdaq Composite Index	2 200.01	23.17	1.06%	3.84%	-3.05%	11.84%
S&P/TSX Composite Index	12 111.09	107.31	0.89%	3.93%	3.11%	13.17%
FTSE 100 (UK)	5 371.04	4.63	0.09%	4.17%	-0.77%	11.49%
DAX (Germany)	6 083.85	-0.05	0.00%	2.90%	2.12%	14.36%
NIKKEI 225 (Japan)	9 062.84	135.82	1.52%	1.76%	-14.07%	-11.84%
HANG SENG (Hong-Kong)	20 868.92	245.09	1.19%	1.25%	-4.59%	6.90%

## MARKET REVIEW

### U.S. Home Sales Rise Unexpectedly

Most U.S. stocks rose, adding to the biggest rally in the Standard & Poor's 500 Index since July, and Treasuries fell as an unexpected jump in home sales and a drop in jobless claims tempered concern the economic rebound is weakening. The Swiss franc strengthened. The 5.2 percent growth in pending home sales and 6,000 decrease in initial jobless claims follow reports yesterday showing better-than-estimated expansion in U.S. and Chinese manufacturing, which triggered a 3 percent surge in the S&P 500.

Economists on average forecast that government data tomorrow will show private employers added 42,000 jobs in August, while a reduction in census workers dragged total payrolls down by 100,000 and pushed the unemployment rate up to 9.6 percent.

Investors are placing more bets on commodities than at any time since before the collapse of Lehman Brothers Holdings Inc., a sign that gold and oil will outperform stocks, said William O'Neill at Logic Advisors. The Dow Jones Industrial Average gained 50.63 points, or 0.49%, to 10320.1. The S&P 500 Composite increased 9.81 points, or 0.91%, to 1090.1. The Nasdaq Composite advanced 23.17 points, or 1.06%, to 2200.01.

Canadian stocks rose for a seventh day after Toronto-Dominion Bank and Canadian Western Bank reported profit increases. Gold and Metal stocks saw the largest gains. The S&P/TSX Composite rose 107.31 points, or 0.89%, to 12111.09. In corporate news, Fortis Inc. led Canadian utilities bonds to their biggest monthly gain since 1998 as the company benefited from regulatory changes that allowed it to pass higher prices onto consumers.

The Canadian dollar depreciated versus the greenback after the biggest one-day rally in three months on concern U.S. job losses will stall the global economic recovery. "Risk sentiment has not repeated yesterday's orgy of risk appetite," David Watt, senior currency strategist in Toronto at Royal Bank of Canada's RBC Capital Markets unit, wrote in an e-mail. "The Canadian dollar made a big run yesterday and I think it was overdone."

Crude prices gained \$1.08 to \$74.99/barrel. Gold increased \$6.77 to \$1251.07/ounce.

MOST ACTIVE BY VOLUME IN S&P/TSX	LAST PRICE	VAR DAY \$	VOLUME
Kinross Gold Corp (K)	\$17.92	\$0.33	10 862 467
Manulife Financial Corp (MFC)	\$12.89	\$0.36	8 620 093
Lundin Mining Corp (LUN)	\$4.56	\$0.00	5 798 978
HudBay Minerals Inc (HBM)	\$15.32	-\$0.11	5 735 718
Bombardier Inc (BBD/B)	\$4.73	\$0.13	4 928 486

MOST ACTIVE BY VOLUME IN S&P 500	LAST PRICE	VAR DAY \$	VOLUME
Citigroup Inc (C)	\$3.88	\$0.04	57 287 600
Bank of America Corp (BAC)	\$13.28	\$0.08	23 043 100
Cisco Systems Inc (CSCO)	\$20.52	\$0.25	15 964 789
Microsoft Corp (MSFT)	\$23.94	\$0.03	12 163 338
Intel Corp (INTC)	\$18.28	\$0.13	11 938 011

S&P/TSX INDUSTRY GROUP	DAILY % CHANGE	YTD
ENERGY	0.61%	-4.35%
MATERIALS	1.31%	16.47%
INDUSTRIALS	0.97%	8.32%
CONSUMER DISCRETIONARY	1.21%	13.86%
CONSUMER STAPLES	-0.21%	2.87%
HEALTH CARE	0.97%	40.88%
FINANCIALS	1.00%	-0.18%
INFORMATION TECHNOLOGY	0.74%	-26.16%
TELECOMMUNICATIONS SERVICES	0.43%	14.30%
UTILITIES	0.07%	3.92%

INTEREST RATES	LAST YIELD	PREVIOUS
CAN GOVT 2 YR	1.28%	1.27%
CAN GOVT 5 YR	2.11%	2.10%
CAN GOVT 7 YR	2.40%	2.39%
CAN GOVT 10 YR	2.86%	2.85%
CAN GOVT 30 YR	3.51%	3.50%

CURRENCIES & COMMODITIES	LAST PRICE	PREVIOUS	1 YEAR AGO
OIL WTI (\$/BARREL)	\$74.99	\$73.91	\$68.05
GOLD SPOT (\$/OZ)	\$1 251.07	\$1 244.30	\$978.50
CAD per USD	1.0532	1.0498	1.1051
CAD per EURO	1.3511	1.3446	1.5764
USD per EURO	1.2827	1.2809	1.4264
YEN per USD	84.270	84.440	92.220

Source: Bloomberg



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