

# Market Review

March 10, 2010

INDEX	CLOSE	NET CHANGE	DAILY % CHANGE	WEEKLY % CHANGE	% YTD	% LAST 12 MONTHS
Dow Jones Industrial Average	10,567.33	2.95	0.03%	1.64%	1.34%	52.56%
S&P 500 Index	1,145.61	5.16	0.45%	2.40%	2.74%	59.20%
Nasdaq Composite Index	2,358.95	18.27	0.78%	3.43%	3.96%	73.67%
S&P/TSX Composite Index	11,961.06	42.35	0.36%	0.91%	1.83%	51.78%
FTSE 100 (UK)	5,640.57	38.27	0.68%	1.94%	4.21%	51.82%
DAX (Germany)	5,936.72	50.83	0.86%	2.04%	-0.35%	52.73%
NIKKEI 225 (Japan)	10,563.92	-3.73	-0.04%	3.03%	0.17%	49.74%
HANG SENG (Hong-Kong)	21,208.29	0.74	0.00%	1.59%	-3.04%	81.36%

## MARKET REVIEW

### U.S. Posts Record Budget Deficit

The U.S. budget deficit widened to a record in February as the government boosted spending to help revive the economy. The excess of spending over revenue increased to \$221 billion last month, compared with a shortfall of \$194 billion in February 2009. The figures show the deficit this year will likely surpass the record \$1.4 trillion in the fiscal year that ended in September.

U.S. stocks rose as a drop in wholesale inventories and improvement in the corporate bond market added to signs the economy is strengthening, overshadowing concern China will raise interest rates. The Dow Jones Industrials Average advanced 2.95 points, or 0.03%, to 10567.33. The S&P 500 Composite increased 5.16 points, or 0.45%, to 1145.61. The Nasdaq Composite gained 18.27 points, or 0.78%, to 2358.95.

Inventories at U.S. wholesalers dropped 0.2 percent in January, signaling companies had difficulty keeping pace with demand. Unemployment decreased in nine U.S. states in January, led by an improvement in Michigan that demonstrates factories are driving the economic rebound. The U.S. Senate approved a \$138 billion measure that would extend unemployment benefits and provide additional aid to states in the second major effort this year by lawmakers to boost the economy.

Citigroup Inc., seeking capital after repaying bailout funds to the Treasury, is selling trust preferred securities as rising investor demand drives borrowing costs to near the lowest in almost five years. The bank plans to issue \$2 billion of the securities, known as TruPS.

Canadian stocks rose for the first time this week after China's exports increased more than forecast, indicating the global recession may be ending. The S&P/TSX Composite rose 42.35 points, or 0.36%, to 11961.06. Quebecor Inc. advanced more than 4 percent after its fourth-quarter earnings beat analyst estimates.

Crude oil rose to an eight-week high and gasoline surged after a government report showed that U.S. fuel supplies declined as demand climbed and refineries idled units. Crude prices rose \$0.60 to \$82.09/barrel. Gold pulled back \$13.07 to \$1108.78/ounce.

MOST ACTIVE BY VOLUME IN S&P/TSX	LAST PRICE	VAR DAY \$	VOLUME
Lundin Mining Corp (LUN)	\$5.17	\$0.45	17,127,809
Rubicon Minerals Corp (RMX)	\$4.45	-\$0.21	5,871,050
Suncor Energy Inc (SU)	\$31.55	\$0.16	5,531,754
Yamana Gold Inc (YRI)	\$10.22	-\$0.08	4,981,802
Eldorado Gold Corp (ELD)	\$13.29	-\$0.06	4,405,966

MOST ACTIVE BY VOLUME IN S&P 500	LAST PRICE	VAR DAY \$	VOLUME
Citigroup Inc (C)	\$3.96	\$0.14	181,847,800
Bank of America Corp (BAC)	\$17.11	\$0.31	30,359,700
Cisco Systems Inc (CSCO)	\$25.87	-\$0.26	21,184,067
Intel Corp (INTC)	\$21.19	\$0.26	17,311,690
Microsoft Corp (MSFT)	\$28.97	\$0.17	15,228,529

S&P/TSX INDUSTRY GROUP	DAILY % CHANGE	YTD
ENERGY	0.80%	-2.27%
MATERIALS	-0.57%	1.52%
INDUSTRIALS	0.10%	2.80%
CONSUMER DISCRETIONARY	0.43%	4.08%
CONSUMER STAPLES	0.79%	-0.05%
HEALTH CARE	1.28%	3.84%
FINANCIALS	0.31%	4.06%
INFORMATION TECHNOLOGY	1.61%	8.36%
TELECOMMUNICATIONS SERVICES	1.29%	6.10%
UTILITIES	-0.58%	1.10%

INTEREST RATES	LAST YIELD	PREVIOUS
CAN GOVT 2 YR	1.54%	1.52%
CAN GOVT 5 YR	2.82%	2.79%
CAN GOVT 7 YR	3.02%	3.00%
CAN GOVT 10 YR	3.54%	3.51%
CAN GOVT 30 YR	4.12%	4.11%

CURRENCIES & COMMODITIES	LAST PRICE	PREVIOUS	1 YEAR AGO
OIL WTI (\$/BARREL)	\$82.09	\$81.49	\$45.71
GOLD SPOT (\$/OZ)	\$1,108.78	\$1,121.85	\$898.15
CAD per USD	1.0257	1.0261	1.2790
CAD per EURO	1.4005	1.3957	1.6221
USD per EURO	1.3657	1.3602	1.2682
YEN per USD	90.540	89.970	98.670

Source: Bloomberg



1) National Bank Financial is an indirect wholly-owned subsidiary of National Bank of Canada.

2) National Bank of Canada is a public company listed on Canadian stock exchanges.

3) National Bank Financial may act as financial advisor, fiscal agent or underwriter for certain companies mentioned herein and may receive remuneration for its services. 4) National Bank Financial and/or its officers, directors, representatives or associates may have a position in the securities mentioned herein and may make purchases and/or sales of these securities from time to time in the open market or otherwise. 5) The information contained herein was obtained from sources which we believe to be reliable, however we cannot represent that it is accurate or complete. 6) This is not a recommendation for any security or investment sector as it may not be suitable for all types of investors. Please contact your investment advisor before purchase to discuss your investor profile and to further discuss these risk factors.