

June Review

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Equity markets slumped in the month of June with the majority of the loss experienced at the end of the month after several global economic data points proved to reflect a worsening economic recovery. U.S. New home sales declined by a record 33 percent to an annual pace of 300,000 in May; down 146,000 homes from the previous month. Furthermore, existing home sales disappointed in the month of May with a print of 5.66 million homes. Home sales are 'leading indicators' in that they are an illustration of economic direction. Elsewhere in the world, Conference Board's revision on its leading economic index for China showed the smallest gain in five months, causing concern that the country may not be expanding as fast as predicted. Finally, and to worsen the decline, sovereign debt issues in Europe continue to plague the markets as credit default swaps moved higher towards the end of the month weighing heavily on global equity indices.

The S&P/TSX Composite declined 468 points representing a 4 percent drop from the previous month. Weakness in the market was broadly-based as negative sentiment in the market brought down all ten sectors. In terms of index points; Financials, Energy, and Technology stocks led the laggards. Leading the financials lower was Royal Bank (RY), Manulife Financial (MFC) and TD Bank (TD) which fell 8 percent, 14 percent, and 4 percent, respectively. Crude oil prices rallied as much as 6.3 percent at one point, largely due to positive economic data from China earlier in the month, but fell with the poor U.S. economic data and finished the month up 2 percent. Despite the marginal rise in oil prices, the majority of energy stocks declined with 35 stocks moving lower and 19 higher. From the top laggards, Talisman Energy (TLM) fell 11 percent, Canadian Natural Resources (CNQ) was down 5 percent and Cameco Corp (CCO) declined 12 percent. Index point heavy-weight Research In Motion (RIM) dragged down the Information Technology sector after reporting mixed earnings which investors perceived as negative for the company. The price of gold bullion increased by 2 percent on the month as investors transitioned assets into safe havens. This provided a small offset as Barrick Gold was one of the leading point gainers up 9.4 percent, Gold Corp (G) advanced 3.5 percent, and Eldorado Gold (ELD) gained 5.5 percent

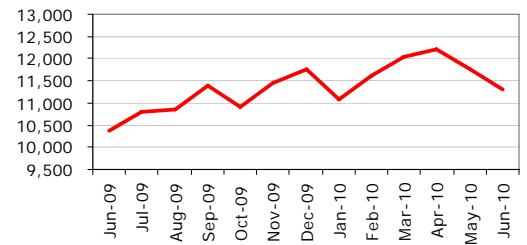
On the U.S. side, the S&P 500 also dipped in the month of June, falling 58 points or 5.4 percent, with all sectors declining. Financials and Energy stocks weighed heavily on markets as cyclical stocks moved lower as a result of weaker economic data. Energy stocks linked to the spill in the Gulf of Mexico continued to experience losses; BP fell over 20 percent, Transocean (RIG) fell over 15 percent and Anadarko Petroleum (APC) fell 31 percent. Other big losers include Office Depot Inc (ODP) which declined 30 percent as a result of an extended loss from Q1 earnings which missed analyst expectations coupled with volatile market conditions. On the upside, Sunoco Inc (SUN) gained 16 percent, Newmont Mining (NEM) closed up 15 percent, and Berkshire Hathaway (BRK.B) rose 13 percent.

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CANADIAN EQUITIES – 

%	1 Mo.	3 Mos.	6 Mos.	9 Mos.	1 Yr.	YTD
S&P/TSX Com	-4.0	-6.2	-3.8	-0.9	8.9	-3.8
S&P/TSX TRet	-3.7	-5.5	-2.5	1.2	12.0	-2.5
Cons. Disc.	-2.4	0.9	6.4	11.9	17.7	6.4
Staples	-4.0	-9.5	-9.7	-2.8	-5.9	-9.7
Energy	-4.0	-5.6	-8.2	-3.9	3.9	-8.2
Financials	-5.5	-10.6	-4.3	-6.0	8.0	-4.3
Health Care	12.7	10.6	21.2	17.6	42.7	21.2
Industrials	-2.5	-6.7	-1.5	6.5	17.6	-1.5
Info Tech	-14.6	-25.0	-20.5	-19.9	-26.4	-20.5
Materials	-2.3	0.6	0.8	6.9	20.0	0.8
Telecom	-0.2	2.5	6.9	13.3	21.0	6.9
Utilities	-0.5	-6.5	-4.7	6.4	8.9	-4.7

S&P/TSX COMPOSITE 1-YEAR

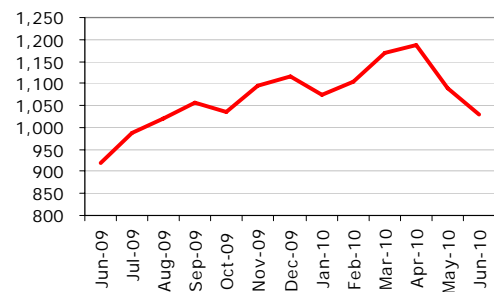


Source: Bloomberg All data are Price Returns except S&P/TSX Total Return

U.S. EQUITIES & INTERNATIONAL – 

%	1 Mo.	3 Mos.	6 Mos.	9 Mos.	1 Yr.	YTD
S&P 500 Idx	-5.4	-11.9	-7.6	-2.5	12.1	-7.6
S&P 500 TRet	-5.2	-11.4	-6.7	-1.0	14.4	-6.7
Cons. Disc.	-9.8	-11.2	-2.3	6.1	26.1	-2.3
Staples	-2.8	-8.8	-4.3	-0.2	10.3	-4.3
Energy	-5.8	-13.2	-13.2	-8.8	-0.1	-13.2
Financials	-6.0	-13.6	-4.2	-7.7	15.5	-4.2
Health Care	-1.9	-12.3	-9.8	-2.1	6.7	-9.8
Industrials	-7.1	-12.8	-1.9	2.7	24.6	-1.9
Info Tech	-6.2	-12.5	-11.0	-1.7	14.7	-11.0
Materials	-7.1	-15.7	-13.7	-7.7	11.6	-13.7
Telecom	-0.4	-5.6	-11.0	-5.8	-2.1	-11.0
Utilities	-1.0	-4.8	-9.2	-3.7	1.1	-9.2

S&P 500 1-YEAR



Source: Bloomberg All data are Price Returns except S&P 500 Total Return. All returns in \$US. See Currency page for C\$ returns for short and long term

GOVERNMENT OF CANADA T-BILLS AND BONDS

Source: PC Bond

%	30-Jun	31-May	31-Mar	31-Dec	Last Year	YIELD CURVE NOW VS. 1 YEAR AGO	
1 Month	0.28	0.27	0.20	0.14	0.18		
3 Month	0.50	0.50	0.28	0.19	0.24		
2 Year	1.39	1.82	1.74	1.48	1.21		
5 Year	2.24	2.74	2.90	2.77	2.47		
10 Year	3.08	3.35	3.57	3.61	3.36		
30 Year	3.65	3.73	4.07	4.08	3.86		

U.S. GOVERNMENT T-BILLS AND NOTES YIELDS

Source: PC Bond

%	30-Jun	31-May	31-Mar	31-Dec	Last Year	YIELD CURVE NOW VS. 1 YEAR AGO	
1 Month	0.16	0.14	0.15	0.03	0.10		
3 Month	0.17	0.15	0.15	0.05	0.18		
2 Year	0.60	0.77	1.02	1.14	1.11		
5 Year	1.77	2.09	2.54	2.68	2.55		
10 Year	2.93	3.28	3.83	3.84	3.53		
30 Year	3.89	4.20	4.71	4.64	4.33		

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COMMODITIES

	June 30	1 Mo. Ago	3 Mos. Ago	6 Mos. Ago	9 Mos. Ago	1 Year Ago
Copper US\$/lb	\$2.94	\$3.13	\$3.52	\$3.33	\$2.79	\$2.24
Zinc US\$/lb	\$0.80	\$0.86	\$1.06	\$1.15	\$0.88	\$0.69
Nickel US\$/lb	\$8.93	\$9.65	\$11.32	\$8.37	\$8.08	\$6.94
Aluminum US\$/lb	\$0.89	\$0.91	\$1.04	\$1.00	\$0.84	\$0.72
Gold US\$/oz	\$1,242.25	\$1,216.20	\$1,113.25	\$1,096.95	\$1,007.70	\$926.60
Silver US\$/oz	\$18.62	\$18.56	\$17.48	\$16.88	\$16.65	\$13.61
WTI Crude US\$/bbl	\$75.63	\$73.97	\$83.76	\$79.36	\$70.61	\$69.89
Nat. Gas US\$/mmbtu	\$4.62	\$4.34	\$3.87	\$5.57	\$4.84	\$3.84
Heating Oil US\$/gal	\$1.98	\$1.98	\$2.16	\$2.12	\$1.80	\$1.72
Gasoline US\$/gal	\$2.06	\$2.02	\$2.31	\$2.05	\$1.73	\$1.90
Corn US\$/bushel	\$3.54	\$3.59	\$3.45	\$4.15	\$3.44	\$3.48
Soybeans US\$/bushel	\$9.49	\$9.38	\$9.41	\$10.40	\$9.27	\$12.26
Wheat US\$/bushel	\$4.65	\$4.58	\$4.51	\$5.42	\$4.58	\$5.11

Source: Bloomberg


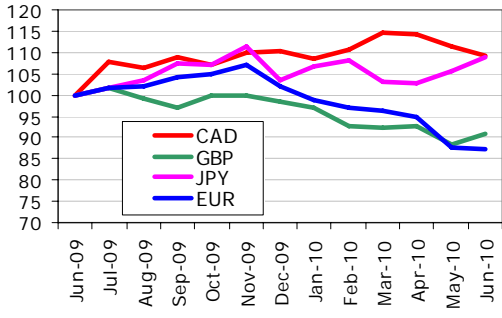



INTERNATIONAL EQUITIES

%	1 Mo.	3 Mos.	6 Mos.	9 Mos.	1 Yr.	YTD	INTERNATIONAL INDICES 1-YEAR
Nikkei 225	-4.0	-15.4	-11.0	-7.4	-5.8	-11.0	
Hang Seng	1.8	-5.2	-8.0	-3.9	9.5	-8.0	
CSI 300	-7.6	-23.4	-28.3	-14.7	-19.1	-28.3	
S&P/ASX 200	-2.9	-11.8	-11.7	-9.3	8.8	-11.7	
FTSE 100	-5.2	-13.4	-9.2	-4.2	15.7	-9.2	
DAX 30	0.0	-3.1	0.1	5.1	24.1	0.1	
CAC 40	-1.8	-13.4	-12.5	-9.3	9.6	-12.5	
Mexican Bolsa	-2.8	-6.3	-3.0	6.6	27.9	-3.0	
Braz. Bovespa	-3.3	-13.4	-11.2	-0.9	18.4	-11.2	
MSCI World	-3.6	-13.3	-10.9	-7.6	8.0	-10.9	
MSCI EAFE	-1.2	-14.9	-14.7	-13.2	3.1	-14.7	

Source: Bloomberg All returns in local currencies. See Currencies page for C\$ returns both short and long term.



CURRENCIES

	June 30	1 Mo. Ago	3 Mos. Ago	6 Mos. Ago	9 Mos. Ago	LY	CURRENCY BASE 100 vs. USD
 CAD/USD	\$1.06	\$1.04	\$1.02	\$1.05	\$1.07	\$1.16	
 USD/EUR	€ 0.82	€ 0.81	€ 0.74	€ 0.70	€ 0.68	€ 0.71	
 USD/GBP	£0.67	£0.69	£0.66	£0.62	£0.63	£0.61	
 JPY/USD	JPY 88.43	JPY 91.26	JPY 93.47	JPY 93.02	JPY 89.70	JPY 96.36	

Source: Bloomberg

When the U.S. dollar is listed first, the valuation is expressed as the number of foreign currency units per U.S. dollar.

DOMESTIC & INTERNATIONAL SHORT AND LONG-TERM RETURNS IN C\$

%	1 Mo.	3 Mos.	6 Mos.	9 Mos.	1 Yr.	YTD	2 Yr.	3 Yr.	4 Yr.	5 Yr.	10 Yr.
S&P/TSX Idx	-4.0	-6.2	-3.8	-0.9	8.9	-3.8	-11.6	-6.7	-0.7	2.7	1.0
S&P/TSX TR	-3.7	-5.5	-2.5	1.2	12.0	-2.5	-8.8	-3.9	2.2	5.5	3.3
S&P 500 Idx	-3.6	-7.6	-6.6	-3.0	2.6	-6.6	-8.4	-11.9	-6.2	-5.6	-6.5
S&P 500 TR	-3.5	-7.2	-5.7	-1.5	4.7	-5.7	-6.2	-9.9	-4.2	-3.6	-4.8
Nikkei 225	1.0	-6.3	-5.4	-6.6	-6.0	-5.4	-6.7	-10.4	-7.1	-2.5	-7.4
Hang Seng	3.7	-1.0	-7.5	-4.9	-0.2	-7.5	-2.6	-2.5	4.1	4.2	-1.1
CSI 300	-5.2	-19.2	-27.1	-14.6	-25.4	-24.7	-1.7	n/a	n/a	n/a	n/a
S&P/ASX 200	-1.7	-15.3	-16.5	-14.1	3.8	-16.5	-13.2	-12.2	-2.2	-0.8	2.8
FTSE 100	-0.8	-10.7	-15.2	-10.9	-3.8	-15.2	-17.4	-17.9	-10.2	-7.0	-5.8
DAX 30	1.3	-8.0	-13.6	-12.6	-1.0	-13.6	-13.3	-12.4	-1.1	2.7	n/a
CAC 40	-0.6	-17.8	-24.5	-24.6	-12.5	-24.5	-20.8	-19.9	-10.8	-6.5	n/a
Mexican Bolsa	-1.1	-6.2	-0.8	10.6	19.2	-0.8	-6.2	-5.9	8.0	10.7	9.3
Braz Bovespa	-0.6	-10.6	-13.2	-3.5	17.3	-13.2	-6.8	6.1	17.4	22.2	10.1
MSCI World	-1.8	-9.1	-10.0	-8.1	-1.1	-10.0	-12.1	-13.4	-6.9	-4.7	-5.9
MSCI EAFE	0.7	-10.8	-13.9	-13.6	-5.6	-13.9	-15.5	-15.9	-8.4	-4.5	-5.4

Source: Bloomberg



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