



Weekly Market Insight

April 15, 2011

NORTH AMERICAN & INTERNATIONAL ECONOMIC HIGHLIGHTS

Housing Market Activity—March 2011

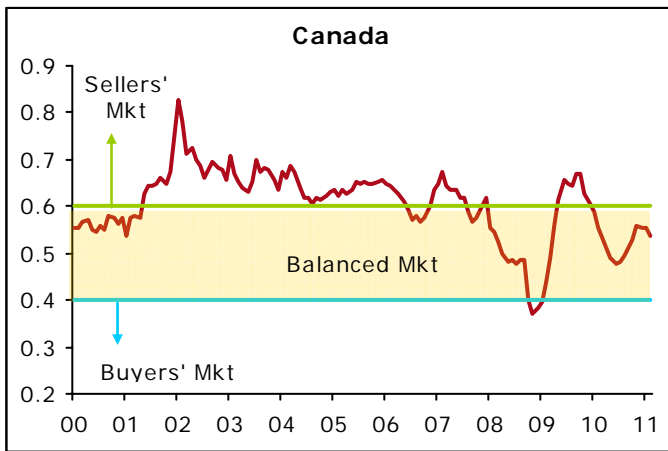
Take Toronto and Vancouver out of the picture and you have a relatively subdued housing market in Canada. Most of the 4.5% increase in sales activity during the first quarter of the year was due to activity in those cities.

In fact, when it come to prices, the near 9% year-over-year increase in the average national price will be much less impressive if you remove Vancouver from the calculations. Ex-Vancouver, national prices rose by just over 4% year-over-year in March.

Another way of looking at it is by focusing on the price change in the weighted CREA price index. This index gives a more realistic picture of the current situation in the housing market. Designed not to over-state recent abnormal changes in activity in expensive cities such as Vancouver, the index apply more appropriate weights to those cities (based on long-term performance and not recent activity). The index shows that prices are rising by 5.6% on a year-over-year basis — down from 7.3% in February. Still this index has risen by an average monthly rate of close to one per cent over the past six months — too strong for the current stage of the economic cycle.

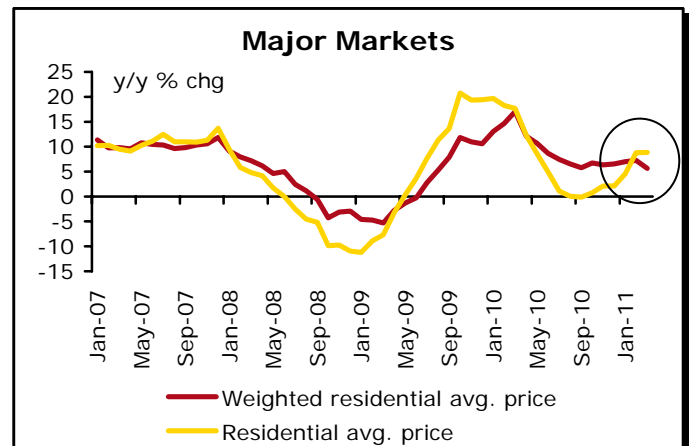
There is a non-linear element to current activity. Recent changes to mortgage regulations have caused home buyers in more expensive pockets to front-load their activity at the expense of future activity. Most of this activity was seen in the condo market in Vancouver. This means that while this specific market will see some volatility in the coming months, the impact of the new regulations on the rest of the market will not be very significant.

Sales to Listing Ratio – Still in Balanced Territory



Source: CREA, CIBC

House Prices—Major Markets



Source: CREA, CIBC

Supply was down in March with new listing falling by five percent. This however followed large increases in January and February — due to the new regulations.

Accordingly, the sales to listing ratio — at 56.5% — are still well within a balanced market territory. But from past experience we know that this can change very quickly. We expect that the spring season will be relatively strong with activity probably surprising on the upside. Following the spring we expect the market to flatten — with potentially some moderate downward pressure on prices given reduced demand and some deterioration in affordability.

Benjamin Tal

Market Snapshot

US	Current*	yesterday*	a week ago*	a month ago*	a year ago*
TED SPREAD (bps)	21	22	25	24	16
10Y / 2Y SPREAD (bps)	272	273	277	268	281
2Y SWAP SPREAD (bps)	17	17	18	20	15
3M T-Bill (%)	0.06	0.06	0.04	0.07	0.15
LIBOR 1 MONTH (%)	0.21	0.22	0.23	0.25	0.26
LIBOR 3 MONTH (%)	0.27	0.28	0.29	0.31	0.31
2-YR BOND (%)	0.70	0.73	0.81	0.58	0.99
5-YR BOND (%)	2.13	2.17	2.32	1.93	2.52
10-YR BOND (%)	3.42	3.46	3.58	3.27	3.81
A Rated / 10Y TREASURY (bps)	148	140	137	146	147
B Rated / 10Y TREASURY (bps)	467	456	456	462	481
BB Rated / 10Y TREASURY (bps)	300	291	288	315	362
CANADA					
PRIME / BA SPREAD (bps)	180	180	180	180	179
CDOR 3 MONTH (%)	1.20	1.20	1.20	1.20	0.43
CDOR 3 MONTH / 3M T-BILL SPREAD (bps)	26	25	23	31	18
10Y / 2Y SPREAD (bps)	154	155	155	156	178
2-YR BOND (%)	1.77	1.80	1.91	1.60	1.92
5-YR BOND (%)	2.69	2.72	2.88	2.51	3.13
10-YR BOND (%)	3.31	3.35	3.46	3.17	3.70
A Rated / 10Y TREASURY (bps)	121	118	113	118	97
BBB Rated / 10Y TREASURY (bps)	194	191	187	189	163
CAN Sovereign Agency / 10Y TREASURY (bps)	47	43	38	45	38
COMMODITIES					
WTI CRUDE FUTURE (US\$ / bbl.)	108.3	108.0	111.1	101.0	84.1
NATURAL GAS (US\$ / MMBtu)	4.2	4.2	4.0	4.1	4.0
SILVER (US\$ / t oz.)	42.6	41.4	40.1	35.2	18.2
GOLD (US\$ / t oz.)	1480.5	1468.2	1467.2	1423.1	1148.8
WHEAT (US¢ / bu.)	736.5	742.0	776.5	739.3	480.0
SOYBEANS (US¢ / bu.)	1325.0	1324.8	1380.3	1347.8	986.0
SUGAR (US¢ / lb.)	25.1	24.7	26.1	27.6	16.8
CORN (US¢ / bu.)	746.5	748.5	767.0	680.0	361.5
FX					
C\$ / US\$	0.964	0.962	0.955	0.985	1.005
US\$ / EURO	1.442	1.446	1.444	1.413	1.352
C\$ / EURO	1.390	1.391	1.379	1.392	1.358
YEN / US\$	83.060	83.200	85.130	81.140	92.540
US\$ / BRITISH POUND	1.633	1.636	1.639	1.616	1.542
SWISS FRANCS / US\$	0.894	0.893	0.911	0.903	1.060

* As of 11:00 a.m.

Note: Data is for reference only.

International Stock Indexes

Thursday, April 14, 2011

Index (Regiona/Country)	DAILY				% Chg		YTD % chg	52 WEEK			3-yr % chg
	High	Low	Close	Chg	-	+		High	Low	% Chg	
Global											
The Global Dow (World)	2193.76	2169.21	2181.61	-10.31	-0.47		4.5	2241.29	1699.63	4.5	-5.1
The Global Dow (Euro) (World)	1427.09	1415.83	1420.66	-2.43	-0.17		-3	1548.75	1272.45	-1.9	-2.2
DJ Global Index (World)	265.24	262.94	264.52	-0.33	-0.12		4.2	267.67	203.56	9.2	-1.4
DJ Global ex U.S. (World)	230.72	228.64	229.61	-0.53	-0.23		3.7	232.55	170.93	8.8	-3
MSCI EAFE* (World)	n.a.	n.a.	1724.81	-6.08	-0.35		4	1758.97	1305.13	5.4	-5.8
Asia Pacific											
DJ Asia-Pacific (Asia-Pacific)	141.04	139.79	140.98	0.61		0.43	-1.1	145.15	111.94	6.6	-1.1
All Ordinaries (Australia)	4989.3	4948.9	4972.4	-27.17	-0.54		2.6	5064.9	4250.6	-1	-2.8
S & P/ASX 200 (Australia)	4902.4	4860.4	4884.25	-26.72	-0.54		2.9	5001.9	4222.1	-2.4	-2.9
DJ CBN China 600 (China)	28562.76	28327.88	28378.9	-120.18	-0.42		6.3	29974.75	20950.68	0.1	0.5
Dow Jones China 88 (China)	268.78	265.99	266.46	-1.44	-0.54		9.4	278.88	208.48	-4.5	-4.8
Shanghai Composite (China)	3058.24	3036.73	3042.64	-7.76	-0.25		8.4	3164.97	2363.95	-3.9	-2.6
Hang Seng (Hong Kong)	24070.76	23912.27	24014	-121.03	-0.5		4.2	24964.37	18985.5	8.4	0.3
Bombay Sensex (India)	19737.33	19101.63	19696.86	...		Closed	-4	21004.96	16022.48	11.7	7.6
Jakarta Composite (Indonesia)	3734.6	3697.43	3707.98	-26.43	-0.71		0.1	3786.1	2514.12	27.8	17.7
Nikkei 300 (Japan)	172.5	170.52	172.05	0.14		0.08	-5.7	202.75	156.93	-15.1	-12.2
Nikkei Stock Avg (Japan)	9676.97	9553.75	9653.92	12.74		0.13	-5.6	11273.79	8605.15	-14.4	-9.3
Topix Index (Japan)	848.9	838.58	846.72	2.13		0.25	-5.8	998.9	766.73	-15.2	-12.1
Kuala Lumpur Composite (Malaysia)	1540.55	1525.8	1525.8	-9.79	-0.64		0.5	1574.49	1248.94	14	7.4
NZSX-50 (New Zealand)	3465.22	3454.48	3454.48	-3.15	-0.09		4.4	3469.38	2933.82	4	-0.2
KSE 100 (Pakistan)	11811.74	11622.02	11652.54	-82.18	-0.7		-3.1	12681.94	9229.6	9.1	-9
Manila Composite (Philippines)	4238.69	4208.64	4234.96	31.28		0.74	0.8	4397.3	3102.59	29.2	13.2
Straits Times (Singapore)	3170.72	3154.79	3158.92	-13.16	-0.41		-1	3313.61	2650.61	4.7	1.3
Kospi (South Korea)	2141.07	2109.63	2141.06	19.14		0.9	4.4	2141.06	1560.83	22.8	7
Colombo Stock Exchange (Sri Lanka)	7609.86	7454.22	7574.86	...		Closed	14.2	7811.82	3955.83	91.5	42.6
Weighted (Taiwan)	8835.39	8772.3	8802.73	22.53		0.26	-1.9	9145.35	7071.67	7.7	-0.3
SET (Thailand)	1084.91	1064.61	1084.91	...		Closed	5	1089.21	721.29	42.6	9.5
Europe											
Stoxx Europe 600 (Europe)	278.54	275.95	277.01	-1.24	-0.45		0.4	291.16	232.11	1.8	-3.5
Stoxx Europe 50 (Europe)	2615	2591.42	2602.66	-13.18	-0.5		0.6	2768.65	2285.13	-4	-5.4
Euro Stoxx 50 (Euro zone)	2938.46	2900.16	2917.72	-32.26	-1.09		4.5	3068	2488.5	-3.2	-7.4
Euro Stoxx (Euro zone)	286.49	283.2	284.59	-2.75	-0.96		3.7	296.96	237.29	-0.1	-6.7
ATX (Austria)	2880.86	2843.37	2843.68	-31.61	-1.1		-2.1	3000.7	2216.84	1.9	-9.7
Bel-20 (Belgium)	2710.29	2687.9	2695	-24.18	-0.89		4.5	2770.81	2296.81	-0.7	-10.7
PX 50 (Czech Republic)	1248.4	1233.7	1235.2	-14.4	-1.15		0.8	1314.6	1097	-5.3	-6.6
OMX Copenhagen (Denmark)	432.75	428.47	429.87	-2.79	-0.64		0.7	441.74	344.55	13.6	2.6
OMX Helsinki (Finland)	7500.86	7405.01	7430.52	-69.51	-0.93		-3	7912.33	6134.78	0.6	-8.3
CAC 40 (France)	3994.86	3949.01	3970.39	-35.84	-0.89		4.4	4157.14	3331.29	-2.3	-5.9
DAX (Germany)	7184.93	7099.66	7146.56	-31.41	-0.44		3.4	7426.81	5670.04	13.6	2.9
BUX (Hungary)	24090.13	23695.73	23766.05	-119.45	-0.5		11.4	24952.41	20221.37	-4.6	2.7
FTSE MIB (Italy)	21999.85	21729.82	21833.72	-263.24	-1.19		8.2	23539.24	18382.71	-7.2	-12.7
AEX (Netherlands)	361.45	358.23	359.48	-3.28	-0.9		1.4	374.19	305.03	1.1	-7.3
All-Shares (Norway)	502.83	494.45	496.13	-6.27	-1.25		2	513.6	367.63	12.3	0.2
WIG (Poland)	50101.6	49646.65	49847.57	-326.81	-0.65		5	50371.74	39109.37	13.1	2.2
PSI 20 (Portugal)	7880.35	7745.85	7759.5	-125.4	-1.59		2.3	8306.76	6624.29	-6.6	-10.8
DJ Russia Titans 10 (Russia)	7335	7149.03	7202.67	-132.33	-1.8		6.7	7565.66	4801.88	18.6	2.9
RTS Index (Russia)	2065.1	2010.2	2028.67	-33.8	-1.64		14.6	2123.56	1226.57	21	-1
IBEX 35 (Spain)	10751.1	10558.1	10622.7	-163.3	-1.51		7.7	11523.5	8669.8	-7.8	-6.9
SX All Share (Sweden)	363.23	359.81	361.55	-2.48	-0.68		-1.9	375.82	292.66	8.2	5.3
Swiss Market (Switzerland)	6391.44	6337.86	6357.03	-7.27	-0.11		-1.2	6967.56	5942.25	-8.8	-3.8
Istanbul National 100 (Turkey)	68303.56	67583.63	67959.5	-243.93	-0.36		3	71543.26	52257.07	15.1	17.6
FTSE 100 (U.K.)	6010.5	5943.8	5963.8	-46.64	-0.78		1.1	6091.3	4805.8	2.4	0.8
FTSE 250 (U.K.)	11616.93	11541.25	11603.19	-12.58	-0.11		0.4	11833.94	9139.65	10.1	5.6
Americas											
DJ Americas (Americas)	357.27	353.6	356.61	-0.01	unch.		4.6	363.56	272.7	10.3	1
Merval (Argentina)	3403.77	3357.86	3381.57	-25.67	-0.75		-4	3664.82	2061.07	38.7	16.8
Sao Paulo Bovespa (Brazil)	67041.79	66089.52	66278.89	-207.6	-0.31		-4.4	72995.69	58192.08	-6	2.2
S & P/TSX Comp (Canada)	13848.19	13781.82	13821.8	-11.84	-0.09		2.8	14270.53	11092.5	13.2	0.2
Santiago IPSA (Chile)	4658.88	4618.14	4656.13	10.96		0.24	-5.5	5040.97	3727.84	21.6	16.2
IPC All-Share (Mexico)	37400.62	37037.97	37069.96	-277.73	-0.74		-3.8	38696.24	30368.08	8.6	5.9
Caracas General (Venezuela)	71963.2	70366.02	70477.09	111.07		0.16	7.9	71587.9	58939.62	14.6	20
Other Countries											
CASE 30 (Egypt)	5342.84	5300.06	5300.06	-1.41	-0.03		-25.8	7603.04	4950.82	-30	-22.5
Tel Aviv (Israel)	1334.54	1319.32	1326.19	-4.54	-0.34		unch.	1340.31	1045.7	9.2	8.1
Johannesburg All Share (South Africa)	32418.33	32094.09	32418.33	64.54		0.2	0.9	33094.06	26009.53	9.7	1.8

*Europe, Australia, Far East; U.S.-dollar terms.

Three year percent change is annualized.

Sources: Reuters; WSJ.com

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