



Economics

Avery Shenfeld
(416) 594-7356
avery.shenfeld@cibc.ca

Benjamin Tal
(416) 956-3698
benjamin.tal@cibc.ca

Peter Buchanan
(416) 594-7354
peter.buchanan@cibc.ca

Warren Lovely
(416) 594-8041
warren.lovely@cibc.ca

Meny Grauman
(416) 956-6527
meny.grauman@cibc.ca

Krishen Rangasamy
(416) 956-3219
krishen.rangasamy@cibc.ca

"...larger industrialized economies will avoid the degree of fiscal stringency that would threaten a double-dip recession..."

Greek Tragedy

by Avery Shenfeld

Is the Greek fiscal tragedy a sign of things to come elsewhere? Certainly, economic shockwaves have started in smaller corners of the globe—it was a drop in the Thai bhat that presaged the late 1990's Asian crisis, which seriously dented global commodity prices. And history shows that sovereign defaults are as contagious as the flu; when one country decides that it won't cough up the dough, others nearby follow suit. Such was the case in the wave of Latin American defaults/restructurings in the early 1980s.

Greece can't just walk away and wash its hands of its debt. It's not that its creditors can threaten to find a lot of Greek assets in their home countries to seize, beyond what's already in the British Museum. Rather, it's that for Greece, EU membership has its privileges, one's that it would put at risk if it slapped creditors in the face. On the other side of the table, Europe has at least as much interest in avoiding the shock of severe defaults in its periphery as the US had when the Clinton administration stepped in with Mexican debt guarantees. At worst, we're looking at a negotiated deal that keeps creditors close to whole.

Athens won't be able to meet Europe's implausible target of slashing the deficit down to 3% from GDP (from 13%) in only 3 years. Picket signs are already being printed in response to public sector cuts, and no economy (or governing party) could weather such a fiscal tightening storm without being able to resort to stimulus from currency depreciation or interest rate cuts. Instead, look for Greece to opt for "austerity light," a still-stringent path that will keep the economy in the doldrums.

It's that prospect that is the more material risk to global growth. The need for fiscal belt tightening goes far beyond the eurozone's periphery. In the US and UK, annual deficits, if not debt burdens, are looking quite Hellenic as a share of GDP. Japan also has a massive government debt burden. If all of these countries are on a budgetary diet plan come 2011, it's hard to see the world's economy getting back to the 5% growth rates it enjoyed pre-recession, even if central banks pull only gently on their own tightening reins.

But without the pressure of the kind of bond market revolt that is forcing painful cuts in Greece and others of its kin, the larger industrialized economies will avoid the degree of fiscal stringency that would threaten the double-dip recession that equities are again starting to worry about.

That's particularly true for Canada. Only in the bubble that is Ottawa could I find myself, as I was this past week, sitting in a debate as the lone fiscal dove, as three other eminent policy watchers called for Flaherty to release a detailed plan, including tax hikes to take effect down the road, to show how the federal government will address a structural deficit estimated to be a mere 1% of GDP five years out. If there's real fiscal pain to be felt, it will be from the provinces after 2010, where deficits are more troublesome in some cases. But even looking at the total federal/provincial debt load, Canada has the luxury of taking a gentler path to restraint than the US or Europe.

<http://research.cibcwm.com/res/Eco/EcoResearch.html>



Week Ahead Calendar And Forecast

CANADA		UNITED STATES			
	CIBC	Consensus	Prior		
Monday February 8	(Jan) (M) HOUSING STARTS SAAR 180K	180K	178K		AUCTION: 3-M BILLS \$23B, 6-M BILLS \$26B
Tuesday February 9	Alberta Provincial Budget				AUCTION: 4-WEEK BILLS \$17B AUCTION: 1-YR BILLS \$26B AUCTION: 3-YR TREASURIES \$40B 10:00 AM WHOLESALE INVENTORIES M/M (Dec) (L) 0.5% 1.5% 5:00 PM ABC CONSUMER CONFIDENCE Feb-07 (L) -49
Wednesday February 10	AUCTION: 3-YR CANADAS \$3.2B, Mar-1-2013 8:30 AM MERCHANDISE TRADE BALANCE (Dec) (H) \$0.3B -0.2B -0.3B				AUCTION: 10-YR TREASURIES \$21B 7:00 AM MBA-APPLICATIONS Feb-05 (L) 21.0% 8:30 AM GOODS & SERVICES TRADE BALANCE (Dec) (H) -\$37.0B -\$35.5B -\$36.4B 2:00 PM TREASURY BUDGET (Jan) (L) -\$70.0B -\$63.5B Speaker(s): 12:45 AM Charles J. Plosser (Philadelphia)
Thursday February 11	8:30 AM NEW HOUSING PRICES M/M (Dec) (L) 0.3% 0.4%				AUCTION: 30-YR TREASURIES \$13B 8:30 AM CONTINUING CLAIMS Jan-30 (H) 4602K INITIAL CLAIMS Feb-6 (H) 480K RETAIL SALES M/M (Jan) (H) 0.3% -0.3% RETAIL SALES (X-AUTOS) M/M (Jan) (H) 0.7% 0.4% -0.2% 10:00 AM BUSINESS INVENTORIES M/M (Dec) (L) 0.4% 0.4%
Friday February 12	8:30 AM NEW MOTOR VEHICLE SALES M/M (Dec) (L) -6.0%				8:30 AM MICHIGAN CONSUMER SENTIMENT (Feb P) (H) 74.0 74.8 74.4
H, M, L = High, Medium or Low Significance		SAAR = Seasonally Adjusted Annual Rate		Consensus Source: Reuters (Canada), Bloomberg (US)	

Week Ahead's Market Call

by Avery Shenfeld

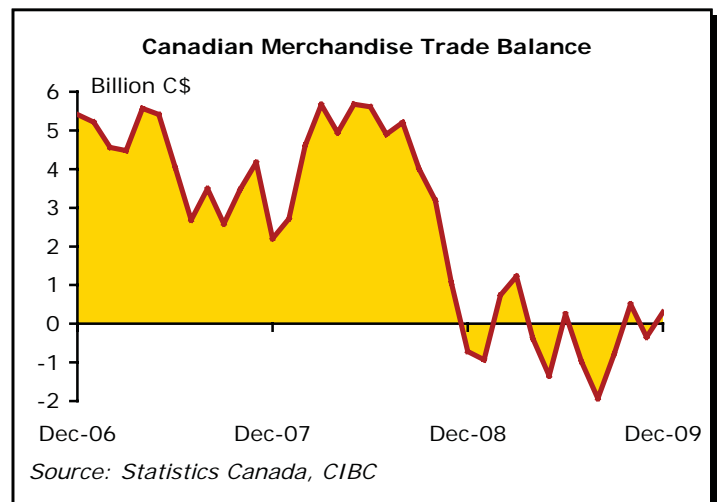
In the US, the trade deficit could widen in December, potentially forcing a downward revision in the first estimate of Q4 GDP, although the December inventory data will also be a factor in any revisions. On the plus side, we're looking for a decent bump in January retail sales, particularly in the ex-autos component.

In Canada, Alberta is the first of the major provinces to face the unpleasant task of dealing with a deficit that ballooned during the recession, with its budget due on Tuesday. Canada's trade balance could get a lift from increased natural gas export volumes, and a positive reading would be a modest plus for the C\$. Housing starts might also see a modest further gain in January, a month of limited activity in the raw (pre-seasonal adjustment) data. But overall, this could still be a week in which the global growth story dominates over any local news.

Week Ahead’s Key Canadian Number:
Merchandise Trade Balance—December
 (Wednesday, 8:30 a.m.)

Peter Buchanan (416) 594-7354

	CIBC	Mkt	Prior
Merchandise Trade Bal.	\$0.3B	-\$0.2B	-\$0.3B



After a transitory dip back into the red, the trade balance likely regained positive terrain in December, aided by improved performance in Canada’s top trade partner and a better showing from autos. Over half of the US economy’s hot 5.7% fourth quarter growth rate came from inventories. The spillover effects point to fuller order books and rising shipments north of the border.

Auto exports fell in November, contributing to the disappointing trade print for the month, but the drop looks anomalous, given signs the industry is turning the corner. Busier domestic assembly lines and rising sales stateside point to an enlarged export contribution from autos in December.

Energy trade should also provide an enlarged lift. US natural gas demand set seasonal records in December and early January as cold air and winter storms blanketed much of the country. Higher crude prices should

contribute to a materially enlarged energy trade surplus. The news from other resource sectors may not be quite so cheery, however. Potash shipments slid further in the fourth quarter as buyers held off and strikes in mining will likely keep export volumes from matching past highs.

Forecast Implications—The ballooning trade deficit helped slow Q3 GDP to a crawl, despite a muscular 4.7% rise in domestic final sales. Markets will be looking closely at the trade numbers to help get a bearing on Q4 growth. A decent showing would set the stage for a reading near 4%, higher than the Bank’s latest 3.3% prediction.

Market Impact—Our \$0.3 bn reading is above the consensus estimate of -\$0.2 bn. That’s a potential plus for the loonie but could weigh on fixed income side, reinforcing expectations for a Q3 rate hike by the Bank. Driven by gains in both multiples and singles, housing

Other Canadian Releases:

Housing Starts—January

(Monday, 8:15 am)

starts defied inclement weather with a further 5.9% m/m gain in December. That lifted activity above the same year-earlier period for the first time in 21 months. After a year that started like a lamb but ended with on a lion-like note, the building blocs still appear to be in place for further improvement. Existing home sales set

a new monthly high in December. Residential permits were effectively flat m/m in December but still up 47% on the year, far outpacing the rise in new construction. We consequently look for a further 1.2% rise to an 180K pace in January. That number is close to the consensus, limiting the potential market reaction.

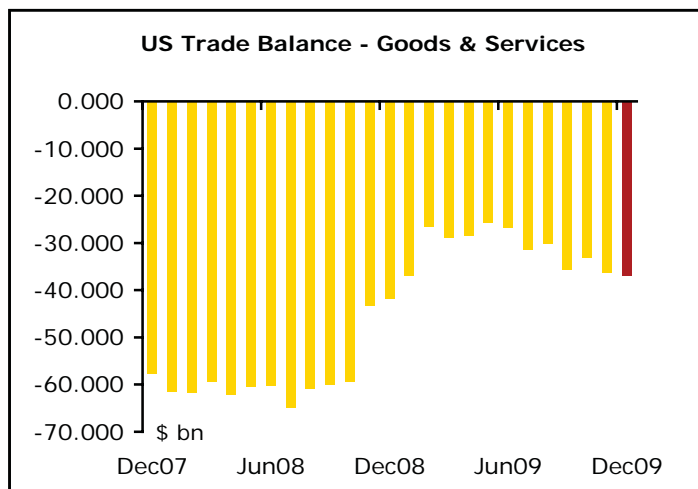
Week Ahead’s Key US Number:

Retail Sales—January

(Thursday, 8:30 a.m.)

Meny Grauman (416) 956-6527

	CIBC	Mkt	Prior
Retail Sales	0.6%	0.3%	-0.3%
Retail Sales (x-autos)	0.7%	0.4%	-0.2%



The year may have ended on a weak note for US retailers, but consumer spending has been on a clear upward trend since bottoming in the second quarter of 2009. That is surprising considering still weak economic fundamentals, including an unemployment rate close to 10%. Nevertheless, consumers are in a buying mood these days, and that momentum likely extended into 2010. Looking to January, industry reports suggest a good month for sales, helped in part by higher gasoline prices and a bounce back in clothing purchases. We expect some weakness to have come from vehicles as well as housing related items like furniture and building supplies, but most other categories should have fared well.

Forecast Implications — While inventories were by far the main driver of real GDP growth in Q4, consumer spending remained an important contributor to economic output, adding nearly 1.5 percentage points to the overall tally. Yet, despite the ongoing good news from that sector, we still expect activity to flatten in the second half of 2010. The US economy is coming back from a deep recession, but the pace of recovery is unlikely to be as robust as it currently appears, which should weigh on households later in the year.

Market Impact —Our slightly stronger-than-expected retail sales call should give a boost to related equities and weigh on Treasuries.

Other US Releases:

Goods & Services Trade—December

(Wednesday, 8:30 a.m.)

Although the US trade balance remains much improved from where it was before the recession hit, the ongoing revival in US demand should continue to chip away at these gains in the near term. While overseas shipments likely kept rising in December as world trade continued to get back on track, it appears that imports also saw further gains due to a revival in consumer spending and a significant upswing in the inventory restocking cycle. According to the BEA’s own forecast real net trade actually made a 0.5 percentage point contribution to

fourth quarter real GDP growth, but we suspect that December’s figures may show a much more modest impact on quarterly growth as the nominal deficit widened to \$37 bn. We see the trade deficit slowly growing over the coming two quarters as domestic demand outpaces export growth. However, that trend should reverse by mid 2010 as US consumers tighten their purse strings, and begin to once again meaningfully boost their savings rates.

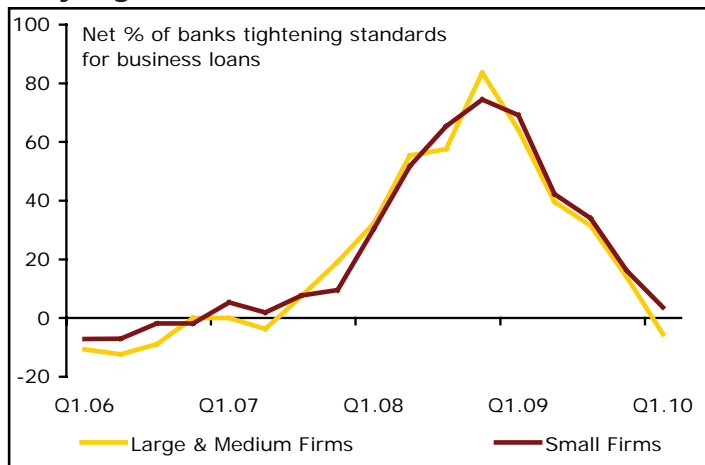
Equity Insights

Peter Buchanan and Meny Grauman

US Private Credit Remains in a Holding Pattern

The latest installment of the Fed's Senior Loan Officer Survey presents a good news bad news picture of the US private credit markets. The good news is that bank lending standards for business loans have stabilized. The bad news is that this comes after an unprecedented year of tightening, which leaves private credit still very hard to come by. That is less of an issue for large firms that have access to public markets, but is a big problem for smaller firms that rely on bank loans to fund daily operations and capital expenditures. Business spending on equipment was up by double digits in the fourth quarter, but that pace may not be sustainable if lending doesn't begin to flow more easily.

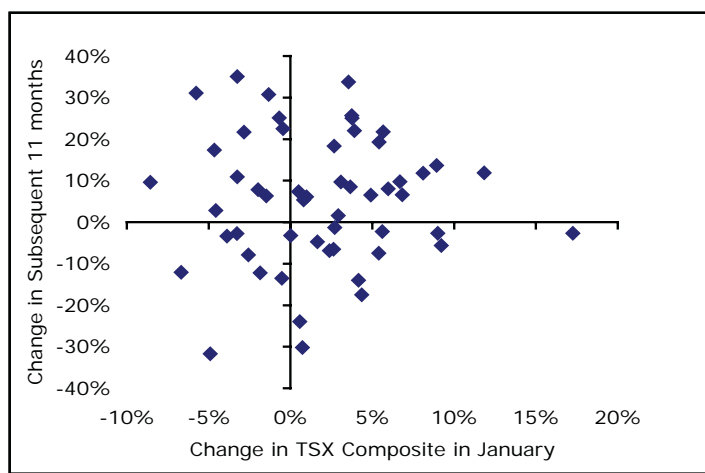
Business Lending Standards Stabilized But Still Very Tight



The "January Effect": Not in Canada

The equity market's shaky start to 2010 has spurred talk of the "January effect", but our research does not find much support for the phenomenon in the TSX data. There has in fact been no statistically significant regression relationship between performance in January and the Composite's change in the subsequent 11-month period, in the period since 1956, when regular calculation of the key Canadian market benchmark began. The Composite climbed 63% of the time in that period from February through December, after easing in January. A positive showing in January in comparison was followed by a positive performance in the remaining 11 months only 59% of the time.

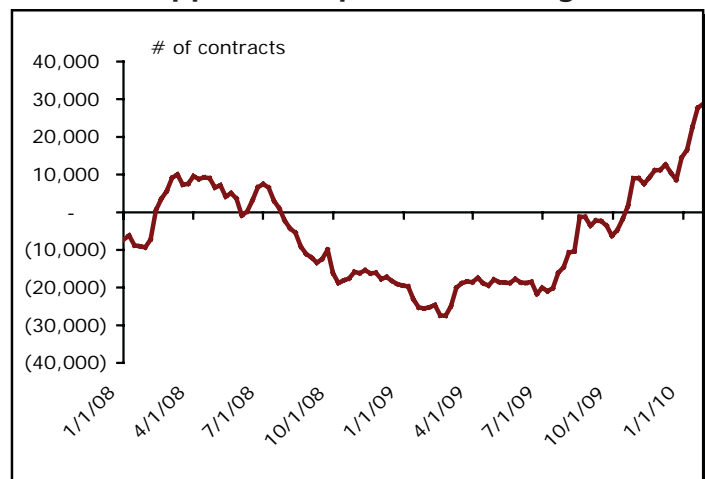
January—Not Such a Good Predictor of Rest of Year



Growth Jitters, Change in Speculative Position Dents Industrial Metals

The commodity sell-off we predicted in the second half of the year appears to be occurring early. Resource prices have risen more forcefully and from a higher base after this recession than previous ones, adding to the risk of a measurable correction at some point, given looming speed bumps for the global recovery. That includes a prospective slowing in the key industrial economies as the lift from fiscal stimulus fades. Industrial metals have been dented by the flight to quality, dollar's strength and a prospective sharp dropoff in volumes from China and other Asian economies when plants there close for a week next Sunday. Interestingly, speculators still appear to be betting that any weakness in metals prices will be transitory.

COMEX Copper: Net Speculative Long Positions



Currency Currents

Peter Buchanan

Battle of the Fiscal Bulge Pounds Europe's Currencies

The EU's pledge to help Greece this week is only a first step on the long and politically risky road to repairing Europe's ailing public finances. The threat to an unimpressive recovery from widespread budgetary restraint makes it increasingly unlikely that the ECB will tighten this year, and that should help keep the euro on the defensive for the next 2-3 months. While Ireland has cut spending, other smaller, indebted countries like Spain and Portugal still have to take the steps needed to meet the 3% Maastricht limit in future. Even some of Europe's very largest economies face the unwelcome prospect of severe belt-tightening. The UK will have to raise taxes or slash spending by 5% of GDP in the next half decade to ward off troubles according to recent reports, restraining growth and sterling's prospects.

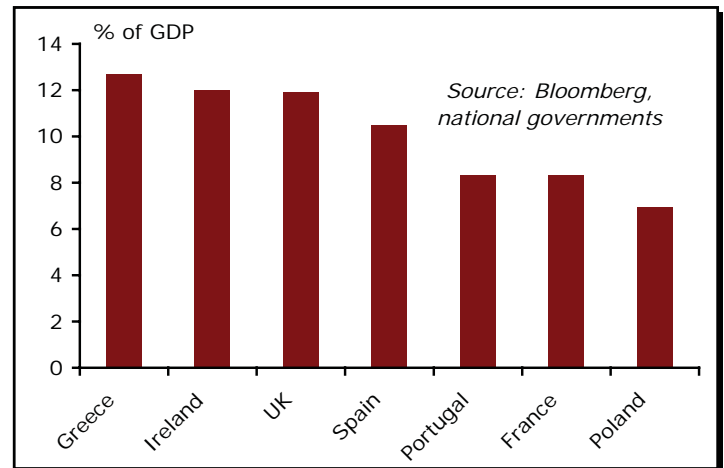
RBA Hints Tightening Cycle Not Yet Over

Two of the props that made the Aussie dollar a currency star in 2009 have looked shaky recently. Commodity prices have at least temporarily reversed course. Traders were also blindsided by the RBA's decision to leave rates steady on Wednesday, rather than hiking for a fourth time. Although future increases are likely to come further apart, Australia's economy is operating nearer full capacity than the other industrial economies, having avoided recession. The Bank accordingly stressed in its statement that "monetary policy will need, over time, to be adjusted further", if conditions evolve as expected, which could make the Aussie attractive at its recent depressed levels.

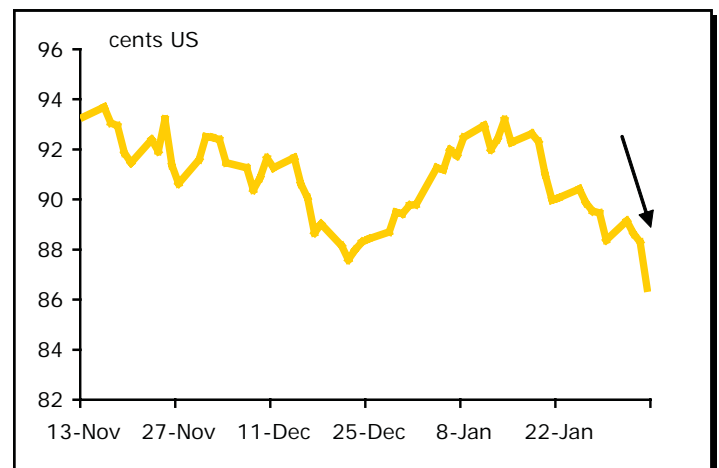
Second Half BOC Rate Hikes Could Help Loonie Reclaim Lost Ground

The C\$ held in fairly well in November and December in the US's first upleg against the euro, but has been overwhelmed of late by the pro-greenback tide and turn in commodity markets. Those forces helped push the close against the greenback to a 3-month high of 1.074 on February 4th. While long C\$ trade has been a loser recently, we believe the currency could recoup some of its losses in coming weeks. January's contrasting trade reports reinforce our belief that the Bank will start to tighten early in the second half, six months before the Fed, and Wednesday's trade report should also show the balance moving back into the black.

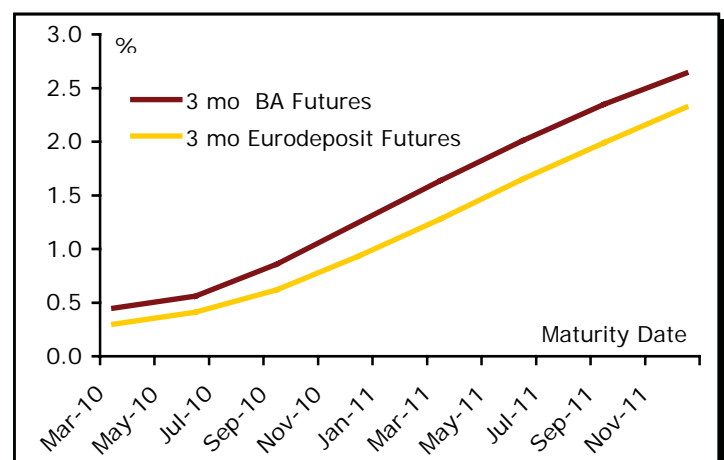
Projected 2010 European Budget Deficits: Selected Countries



Australian Dollar—Freefall!



Jobs Data Should Reinforce Expectations BoC to Tighten More Aggressively



U.S. RELEASE AND EVENT DATES February/March 2010



MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
<p>1</p> <p>PERS. INCOME & OUTLAYS</p> <p>8:30 AM SAVING INCOME CONS RATE M M AR</p> <p>OCT 0.3 0.6 4.6</p> <p>NOV 0.5 0.7 4.5</p> <p>DEC 0.4 0.2 4.8</p> <p>ISM MFG SURVEY</p> <p>10:00 AM COMP. PRICES INDEX INDEX</p> <p>NOV 53.7 55.0</p> <p>DEC 54.9 61.5</p> <p>JAN 58.4 70.0</p> <p>2, 5, 7-Yr NOTE SETTLEMENT</p>	<p>2</p> <p>LIGHT VEHICLES</p> <p>SALES MIL (AR) Y</p> <p>NOV 10.889 5.0</p> <p>DEC 11.201 8.7</p> <p>JAN 10.757 12.2</p> <p><i>BOT (9:00) REDBOOK (10:40)</i></p>	<p>3</p> <p>ADP SURVEY</p> <p>8:15 AM</p> <p>ISM NON-MFG SURVEY</p> <p>10:00 AM</p> <p>3, 10-Yr NOTE ANNOUNCEMENT</p> <p>30-Yr BOND ANNOUNCEMENT</p>	<p>4</p> <p>NON-FARM PRODUCTIVITY</p> <p>8:30 AM Q/Q (AR) Y/Y</p> <p>09:Q2 (R) 6.9 1.9</p> <p>09:Q3 (R) 7.2 3.8</p> <p>09:Q4 (P) 6.2 5.1</p> <p>FACTORY ORDERS</p> <p>10:00 AM M Y</p> <p>OCT 0.8 -9.4</p> <p>NOV 1.0 -2.0</p> <p>DEC 1.0 3.6</p> <p><i>INITIAL JOBLESS CLAIMS (8:30)</i></p>	<p>5</p> <p>EMPLOY. SITUATION</p> <p>8:30 AM NON- CIV AVG FARM UNEMP HRLY PAYROLL RATE EARN (000s) M % Y</p> <p>NOV 64 10.0 2.6</p> <p>DEC -150 10.0 2.4</p> <p>JAN -20 9.7 2.5</p> <p>CONSUMER CREDIT</p> <p>3:00PM</p>
<p>8</p>	<p>9</p> <p><i>BOT (9:00) REDBOOK (10:40)</i></p>	<p>10</p> <p>GOODS & SERVICES BALANCE (BOP) \$B</p> <p>8:30 AM GDS SERV TOT</p> <p>OCT -45.2 12.0 -33.2</p> <p>NOV -48.4 12.0 -36.4</p> <p>DEC</p> <p>TREASURY BUDGET</p> <p>2:00 PM</p> <p>3-Yr NOTE AUCTION</p> <p><i>BOT (9:00) REDBOOK (10:40)</i></p>	<p>11</p> <p>RETAIL SALES</p> <p>8:30 AM M Y</p> <p>NOV 1.8 2.5</p> <p>DEC -0.3 5.4</p> <p>JAN</p> <p>BUSINESS INVENTORIES</p> <p>10:00 AM</p> <p>MONEY SUPPLY M-2</p> <p>4:30 PM M Y</p> <p>NOV 0.4 5.1</p> <p>DEC 0.2 3.1</p> <p>JAN</p> <p>30-Yr BOND AUCTION</p> <p><i>INITIAL JOBLESS CLAIMS (8:30)</i></p>	<p>12</p> <p>MICHIGAN SENTIMENT (P)</p> <p>10:00 AM</p>
<p>15</p> <p>PRESIDENT'S DAY (HOLIDAY)</p>	<p>16</p> <p>NET CAPITAL INFLOWS TICS</p> <p>9:00 AM</p> <p>3, 10, 30-Yr NOTE SETTLEMENT</p>	<p>17</p> <p>HOUSING STARTS</p> <p>8:30 AM MIL (AR) M</p> <p>NOV 0.580 10.7</p> <p>DEC 0.557 -4.0</p> <p>JAN</p> <p>CAPACITY UTIL/IND. PROD.</p> <p>9:15 AM LEV M Y</p> <p>NOV 71.5 0.6 -4.9</p> <p>DEC 72.0 0.6 -2.1</p> <p>JAN</p> <p>FOMC Minutes</p> <p><i>BOT (9:00) REDBOOK (10:40)</i></p>	<p>18</p> <p>PRODUCE PRICE INDEX</p> <p>8:30 AM M (SA) Y (NSA)</p> <p>NOV 1.8 2.4</p> <p>DEC 0.2 4.4</p> <p>JAN</p> <p>PHILADELPHIA FED INDEX</p> <p>10:00 AM</p> <p>LEADING INDICATOR</p> <p>10:00 AM</p> <p>2, 5, 7-Yr NOTE ANNOUNCEMENT</p> <p><i>INITIAL JOBLESS CLAIMS (8:30)</i></p>	<p>19</p> <p>CONSUMER PRICE INDEX</p> <p>8:30 AM M (SA) Y (NSA)</p> <p>NOV 0.4 1.8</p> <p>DEC 0.1 2.7</p> <p>JAN</p>
<p>22</p>	<p>23</p> <p>S&P/CASE-SHILLER HOUSE PRICE INDEX</p> <p>9:00 AM</p> <p>CONSUMER CONFIDENCE</p> <p>10:00 AM</p> <p>2-Yr NOTE AUCTION</p> <p><i>BOT (9:00) REDBOOK (10:40)</i></p>	<p>24</p> <p>NEW HOME SALES</p> <p>10:00 AM</p> <p>5-Yr NOTE AUCTION</p>	<p>25</p> <p>DURABLE GOODS ORDERS</p> <p>8:30 AM M Y</p> <p>NOV -0.4 -7.0</p> <p>DEC 1.0 -2.5</p> <p>JAN</p> <p>7-Yr NOTE AUCTION</p> <p><i>INITIAL JOBLESS CLAIMS (8:30)</i></p>	<p>26</p> <p>GDP</p> <p>8:30 AM (AR) REAL IMPLICIT GDP DEFLATOR</p> <p>09:Q3(F) 2.2 0.4</p> <p>09:Q4(A) 5.7 0.6</p> <p>09:Q4(P)</p> <p>CHICAGO PMI</p> <p>9:45 AM</p> <p>MICHIGAN SENTIMENT (F)</p> <p>10:00 AM</p> <p>EXISTING HOME SALES</p> <p>10:00 AM</p>
<p>1</p> <p>PERS. INCOME & OUTLAYS</p> <p>8:30 AM SAVING INCOME CONS RATE M M AR</p> <p>NOV 0.5 0.7 4.5</p> <p>DEC 0.4 0.2 4.8</p> <p>JAN</p> <p>ISM MFG SURVEY</p> <p>10:00 AM COMP. PRICES INDEX INDEX</p> <p>DEC 54.9 61.5</p> <p>JAN 58.4 70.0</p> <p>2, 5, 7-Yr NOTE SETTLEMENT</p>	<p>2</p> <p>LIGHT VEHICLES</p> <p>SALES MIL (AR) Y</p> <p>DEC 11.201 8.7</p> <p>JAN 10.757 12.2</p> <p>FEB</p> <p><i>BOT (9:00) REDBOOK (10:40)</i></p>	<p>3</p> <p>ADP SURVEY</p> <p>8:15 AM</p> <p>ISM NON-MFG SURVEY</p> <p>10:00 AM</p> <p>Beige Book</p>	<p>4</p> <p>NON-FARM PRODUCTIVITY</p> <p>8:30 AM Q/Q (AR) Y/Y</p> <p>09:Q3 (R) 7.2 3.8</p> <p>09:Q4 (P) 6.2 5.1</p> <p>09:Q4 (R)</p> <p>FACTORY ORDERS</p> <p>10:00 AM M Y</p> <p>NOV 1.0 -2.0</p> <p>DEC 1.0 3.6</p> <p>JAN</p> <p>3, 10-Yr NOTE ANNOUNCEMENT</p> <p>30-Yr BOND ANNOUNCEMENT</p> <p><i>INITIAL JOBLESS CLAIMS (8:30)</i></p>	<p>5</p> <p>EMPLOY. SITUATION</p> <p>8:30 AM NON- CIV AVG FARM UNEMP HRLY PAYROLL RATE EARN (000s) M % Y</p> <p>DEC -150 10.0 2.4</p> <p>JAN -20 9.7 2.5</p> <p>FEB</p> <p>CONSUMER CREDIT</p> <p>3:00PM</p>

All data seasonally adjusted except where noted "NSA". M: per cent change from previous month. Q: per cent change from previous quarter at annual rates. Y: per cent change from year earlier. AR: Annual Rate. YTD: Year to date. Release dates are provided by sources outside CIBC World Markets inc. Dates are subject to change. Sources for historical data: U.S. Department of Commerce, U.S. Department of Labor and U.S. Federal Reserve Board.

Conflicts of Interest: CIBC World Markets' analysts and economists are compensated from revenues generated by various CIBC World Markets businesses, including CIBC World Markets' Investment Banking Department. CIBC World Markets may have a long or short position or deal as principal in the securities discussed herein, related securities or in options, futures or other derivative instruments based thereon. The reader should not rely solely on this report in evaluating whether or not to buy or sell the securities of the subject company.

Legal Matters: This report is issued and approved for distribution by (i) in Canada by CIBC World Markets Inc., a member of the IIROC and CIPF, (ii) in the UK, CIBC World Markets plc, which is regulated by the FSA, and (iii) in Australia, CIBC World Markets Australia Limited, a member of the Australian Stock Exchange and regulated by the ASIC (collectively, "CIBC World Markets"). This report is distributed in the United States by CIBC World Markets Inc. and has not been reviewed or approved by CIBC World Markets Corp., a member of the New York Stock Exchange ("NYSE"), NASD and SIPC. This report is intended for distribution in the United States only to Major Institutional Investors (as such term is defined in SEC 15a-6 and Section 15 of the Securities Exchange Act of 1934, as amended) and is not intended for the use of any person or entity that is not a major institutional investor. Major Institutional Investors receiving this report should effect transactions in securities discussed in the report through CIBC World Markets Corp. This report is provided, for informational purposes only, to institutional investor and retail clients of CIBC World Markets in Canada, and does not constitute an offer or solicitation to buy or sell any securities discussed herein in any jurisdiction where such offer or solicitation would be prohibited. This document and any of the products and information contained herein are not intended for the use of private investors in the United Kingdom. Such investors will not be able to enter into agreements or purchase products mentioned herein from CIBC World Markets plc. The comments and views expressed in this document are meant for the general interests of clients of CIBC World Markets Australia Limited.

This report does not take into account the investment objectives, financial situation or specific needs of any particular client of CIBC World Markets Inc. Before making an investment decision on the basis of any information contained in this report, the recipient should consider whether such information is appropriate given the recipient's particular investment needs, objectives and financial circumstances. CIBC World Markets Inc. suggests that, prior to acting on any information contained herein, you contact one of our client advisers in your jurisdiction to discuss your particular circumstances. Since the levels and bases of taxation can change, any reference in this report to the impact of taxation should not be construed as offering tax advice; as with any transaction having potential tax implications, clients should consult with their own tax advisors. Past performance is not a guarantee of future results.

The information and any statistical data contained herein were obtained from sources that we believe to be reliable, but we do not represent that they are accurate or complete, and they should not be relied upon as such. All estimates and opinions expressed herein constitute judgements as of the date of this report and are subject to change without notice.

Although each company issuing this report is a wholly owned subsidiary of Canadian Imperial Bank of Commerce ("CIBC"), each is solely responsible for its contractual obligations and commitments, and any securities products offered or recommended to or purchased or sold in any client accounts (i) will not be insured by the Federal Deposit Insurance Corporation ("FDIC"), the Canada Deposit Insurance Corporation or other similar deposit insurance, (ii) will not be deposits or other obligations of CIBC, (iii) will not be endorsed or guaranteed by CIBC, and (iv) will be subject to investment risks, including possible loss of the principal invested. The CIBC trademark is used under license.

© 2009 CIBC World Markets Inc. All rights reserved. Unauthorized use, distribution, duplication or disclosure without the prior written permission of CIBC World Markets Inc. is prohibited by law and may result in prosecution.