



**Economics  
& Strategy**

**Jeffrey Rubin**  
(416) 594-7357  
jeff.rubin@cibc.ca

**Avery Shenfeld**  
(416) 956-7356  
avery.shenfeld@cibc.ca

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

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

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

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

*"...looking out over a 12-month investment horizon, government bonds aren't going to be the place to be, ..."*

## The Flight From Safety

by Avery Shenfeld

Make no mistake, there is still a rough road ahead for the US economy. April's surprisingly mild jobs decline was, of course, a decline, and those who weren't let go saw their working hours curtailed. Presumably, it's the cyclical industries that tell the story of the business cycle, and in manufacturing, construction and retailing, it's still raining pink slips. If José Canseco is being foreclosed on, things are hardly rosy in real estate either. In Canada, a dip in February GDP left the economy headed for a nearly flat quarter, and a dive in US auto sales in April suggests that Q2 will not be any better.

Still, investors are paid to look ahead, and on a broad range of fronts, we're seeing the early stages of a flight away from safety. Panic buying of the world's safest assets this winter took three-month US T-bills to a less than 1% yield. Anything with credit risk was being shunned.

But March 17<sup>th</sup>, the day the world learned of the Fed's unprecedented effort to prevent capital market carnage as Bear Stearns ran out of cash, marked a sea change in perceptions, if not yet economic reality on the ground. Investment grade CDS spreads began to narrow. US home building equities stopped falling and financial stocks headed higher. The greenback reversed some of its earlier losses. None of this implies tremendous optimism, but instead it reveals the depths of the pessimism that prevailed in credit markets (if less so in equities) at the height of the crisis.

For government bonds in the US and Canada, the turning point has been in the other direction, as any move back to riskier assets spells trouble for the safest of investments. We could see one final test of lower yields if, as we expect, both the Fed and the Bank of Canada are forced to return with another rate cut or two. Note that despite their best efforts, spreads between overnight rates and three-month bank funding costs remain inordinately wide, so that getting private sector yields down will temporarily require a much lower overnight target than would otherwise be the case.

But for those not playing the monthly blips and looking out over a 12-month investment horizon, government bonds aren't going to be the place to be, and any rally after the next Bank of Canada rate cut should be used to take some money off that table.

At some point next year, the central banks are also going to be tilting away from playing it safe with the economy, and tackling inflation instead. Even the doves on the FOMC have noted that this year's rate cuts could be reversed just as quickly if the economy recovers and inflation is still kicking around, as it likely will be after only a mild downturn. And barring another spectacular C\$ run-up, Canada isn't going to be immune to global inflationary forces rooted in commodity prices. At a minimum, cautious investors should be looking at replacing sovereign bonds with high grade substitutes, where further spread narrowing will enhance returns.

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



## Week Ahead's Market Call

by Avery Shenfeld

**In the US,** the data calendar puts a focus on trade, one area where the economy has shown strength as a cheap US dollar, and dampened import demand, have improved the real balance. Gains in the nominal trade balance will be hampered by rising oil prices in the months ahead, but net exports in real terms should still be a consistent growth contributor. The market is starting to recognize that pending home sales is the series to track, as it's an early peek at existing home sales which are released later in the month.

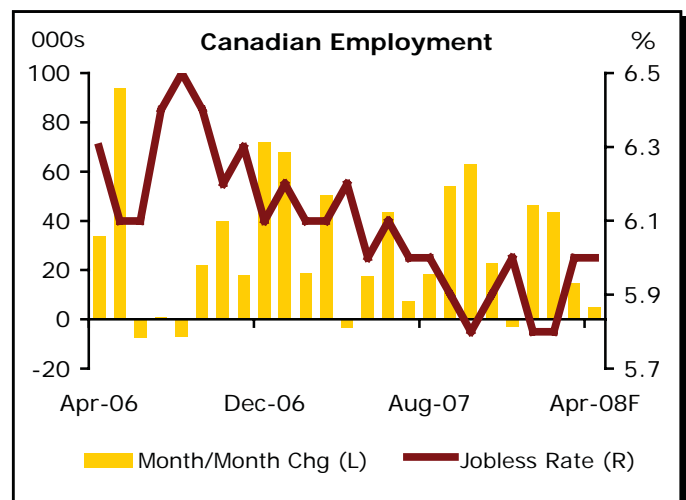
**In Canada,** markets will eye the jobs report as the first signal on Q2 economic activity. With output growing at a crawl, we doubt there will be much net hiring, particularly in full time private sector positions. Countering that could be a better than expected March trade surplus, helped by high commodity prices, and a still reasonably healthy picture for housing starts.

**Week Ahead’s Key Canadian Number:  
Labour Force Survey—April**

(Friday, 7:00 a.m.)

Krishen Rangasamy (416) 956-3219

	CIBC WM	Mkt	Prior
Employment	5K	10K	15K
Unemployment Rate	6.0%	6.0%	6.0%



Why increase your headcount when output is flat? Sooner or later those employers facing squeezed profits will have to ask that question. As a result, the labour market cooling off that was observed in March is set to continue into April, with net jobs additions being restrained to 5K while the unemployment rate remains unchanged at 6%.

Monthly GDP reports point to a weak Q1 which will likely make it two consecutive quarters of sub-1% annualized growth, clearly not an environment consistent with massive job creation. January and February defied the economics by adding an astounding 90K net jobs, but we saw a return to common sense in March, when for the first time in seven months, full-time employment actually fell, causing the total hours worked during the month to drop. Construction employment has acted as a counterweight to manufacturing jobs losses, but is limited by skilled trade availability in some booming regions.

**Forecast Implications** — The blistering 35K/month pace in net job additions in the first quarter will likely not be repeated in Q2 as employers adjust to reduced US demand and slower domestic growth. A softer pace to net jobs additions should allow for some slack to develop in a very tight labour market, hence keeping wage inflation under control.

**Market Impact** — Markets are bracing themselves for the smallest monthly jobs increase in 2008. Attention should be focused on net full-time employment additions which, if negative for the second month running, would add to the downbeat sentiment following the past week’s disappointing GDP report. We are too close to consensus to cause any market reaction if our call is on the mark.

**Other Canadian Releases:**

**Merchandise Trade Balance—March**

(Friday, 8:30 a.m.)

Energy will again be pushing the trade surplus higher in March, compensating for the deficit in non-resource manufacturing. The recession south of the border has already had an impact on US auto sales which were weak throughout Q1. Canadian auto exports will likely see a drop, keeping the autos trade balance well into deficit territory for the twelfth consecutive month. The decline in autos and other non-resource manufacturing

will however be countered by energy. Rising commodity prices as well as the depreciation of the Canadian dollar in the month could have lifted the nominal energy trade surplus above \$6 bn for the first time ever, taking March’s total merchandise trade balance to roughly \$5.5 bn. We are well above consensus, so hitting our call would be bullish for the Canadian dollar.

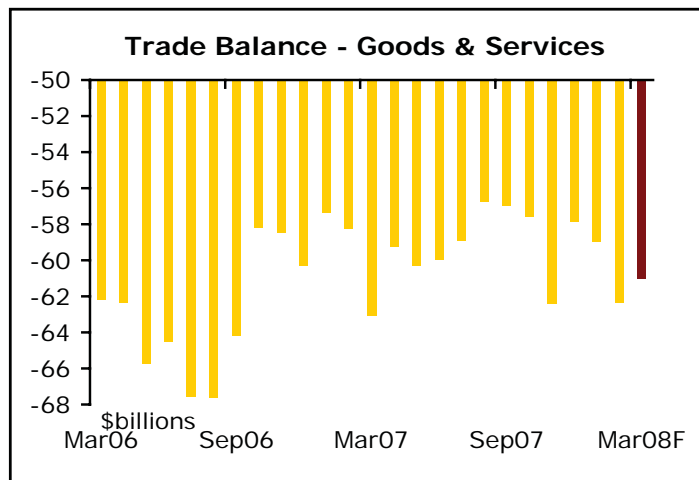
**Week Ahead’s Key US Number:**

**Goods & Services Trade Balance—March**

(Friday, 8:30 a.m.)

Meny Grauman (416) 956-6527

	CIBC WM	Mkt	Prior
Trade Balance	-\$61.0B	-\$61.0B	-\$62.3B



Despite February’s unexpectedly large jump in the US trade deficit, the underlying fundamentals are quite supportive of an improving American net-trade position. The prior month’s numbers saw an increase in non-energy imports into the United States, and a slide in capital goods exports. Looking to March we expect these movements to reverse and for the trade balance to improve to -\$61.0 bn. Despite steadily rising energy prices, which help to prop up nominal imports, a weak dollar, a flagging US consumer, and firm demand overseas are all helping to give net exports a boost. As a result, the multi-year slide in the trade balance has seen a notable turnaround.

**Forecast Implications** — Our outlook for the economy is decidedly negative over the next two quarters, but a bright light continues to be the improving American trade position. Net exports boosted real GDP growth by over 1 percentage point in Q4 2007 and by 0.22 percentage points in the first quarter of 2008 according to the BEA’s advance estimate. March’s trade numbers may push up that number, but even if the Q1 revision impact is negligible, this part of the economy is in relatively good shape.

**Market Impact** — Our at consensus call should not be market moving, but an improving US trade position will continue to highlight one of the particularly bright areas of the economic outlook. It also further raises the chances that this current slowdown will be relatively mild.

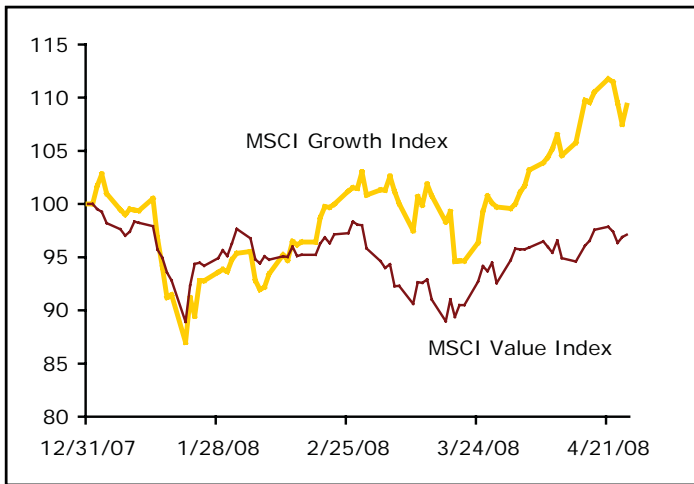
## Equity Insights

Meny Grauman

### Growth versus Value in Canada

Everyone knows that the Canadian equity market has been riding a wave of rising commodity prices as it continues outperform all of the US benchmarks for the year to date. However it is also interesting to see what is driving this strength from the perspective of investing style. Although the pessimism of the early part of 2008 gave an edge to value investors, growth stocks are now firmly in the lead. For the year-to-date, value plays have seen prices decline by 3% according to the MSCI index, while growth stocks have increased by 9%. Some of this outperformance is stock specific, but it is also a reflection of equity investors' increased optimism.

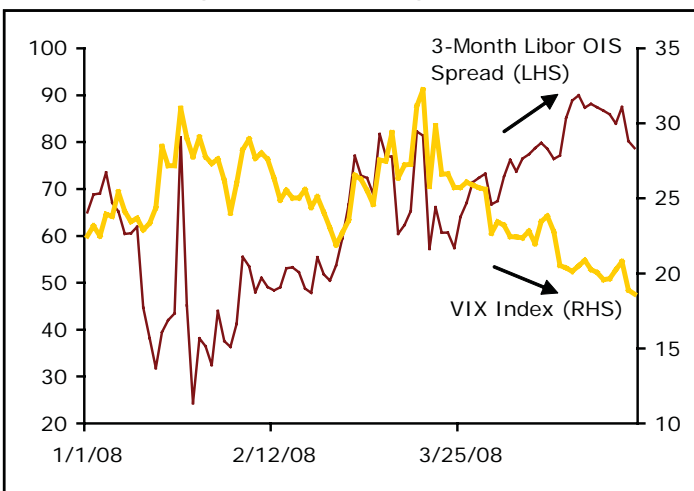
### Growth Beats Value



### Are Banks Still So Risky?

Although there are growing signs that the 9-month-long global credit crunch has bottomed, and is even improving, the good news has not extended to inter-bank funding costs. Credit spreads have come in and the VIX equity volatility index has also come down dramatically since the beginning of the year, but the spread between 3-monthly Libor and the 3-month OIS rate is still over 70 bps, when it should normally be around 10 bps. Since financial services equity valuations are improving, the problem appears to be more of a technical issue with money markets rather than a true fear of defaults. We might see further cuts in overnight rates simply to get money market yields to appropriately stimulative levels.

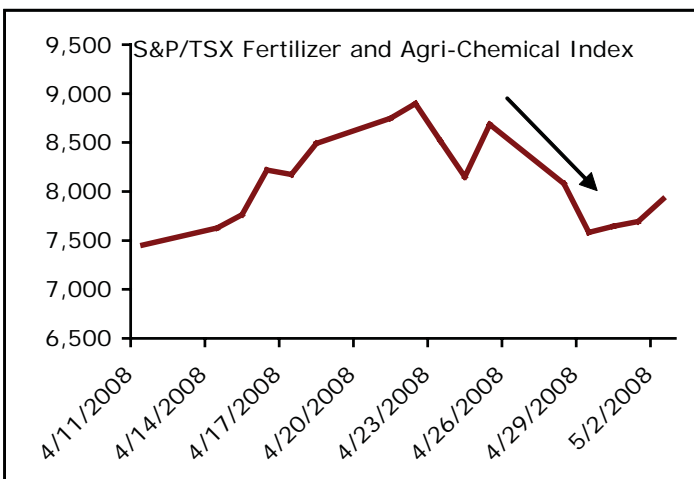
### Bank Funding Costs Still High



### A Temporary Dip

Although the fertilizer and agricultural chemical sector was hit by profit taking this week, the decline should be seen as a temporary dip and not a sign of a more fundamental slide. As food riots continue to spread around the globe, fertilizers will be in high demand as farmers struggle to keep yields up. That strong demand is pushing up prices at a whirlwind pace. Contracted prices for potash in particular have tripled over last year, and last week there were reports of an Asian buyer agreeing to pay \$1,000/ton for the commodity.

### It's Still a Bull Market for Fertilizer



## Currency Currents

Avery Shenfeld and Krishen Rangasamy

### Your Money or Your Job

With one contract already settled, Canada's auto workers union has two more of the Big-3 ahead of it. Behind these talks is a broader fight for survival for factory workers in Canada, and unions may ultimately face an unpalatable choice between saving their job count, or saving their pay and benefit scales. With the C\$ near parity, contracts are being negotiated in the context of a weekly Canadian factory wage that, at these exchange rates, now exceeds the US level. Typically, that would put downward pressure on the loonie as well as on wage gains as markets judged the sustainability of the exchange rate at this level, but that's less likely given the huge support coming from elevated commodity prices.

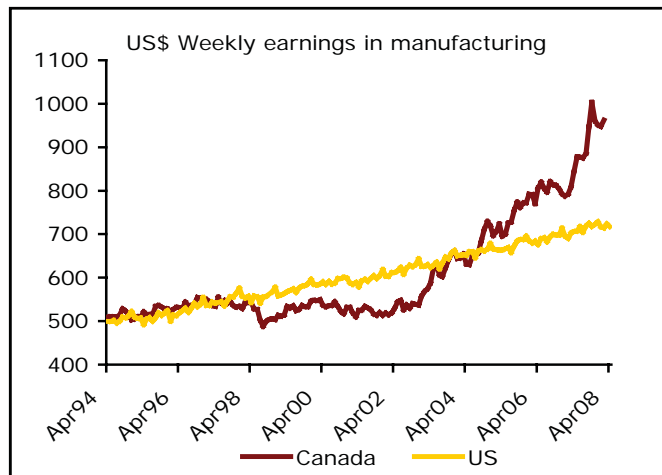
### Japanese Wages Picking Up

After a blistering start, there have been some softer signals on Japan's economy of late, including a fall in the jobs-to-applicant ratio in the past week's report. But the greater barrier to Japan ever moving off its near-zero interest rate stance has been the absence of meaningful inflation, and recent signals from the labour market suggest the start of a turning point on that score. The labour market is finally tight enough that pay scales are finally seeing at least modest inflation. Add to that the pressures from global food and energy prices, and deflation might be gone for good. Japan will renew rate hikes in 2009, giving a dose of support to the yen in the process.

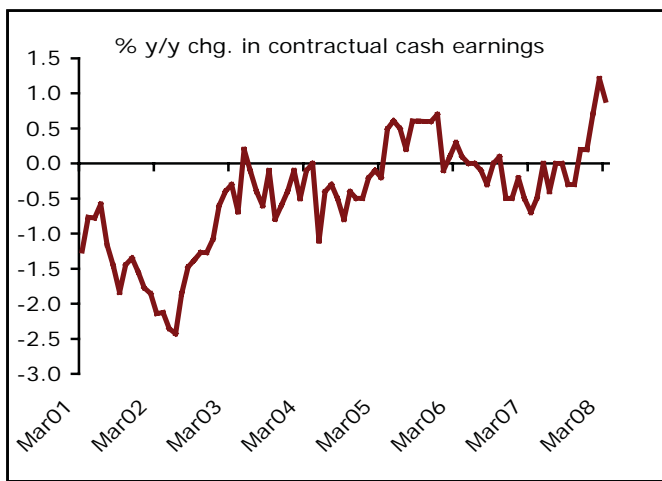
### Where's the Trade Lift?

Australian commodity prices soared in April, and were looking almost parabolic as tracked by the RBA's benchmark. That extends a long run which is typically cited as one reason the market likes the Aussie dollar. But in terms of flows, it's really been RBA interest rate hikes and capital shifts, rather than the trade lift from resources, that has told the A\$ story. Indeed, hit by a drought in agriculture and a huge appetite for imports from a booming consumer sector, the trade balance has steadily worsened since 2006. As a result, we expect the A\$ to hit a peak this quarter and level off thereafter, as the market looks ahead to US rate hikes in 2009.

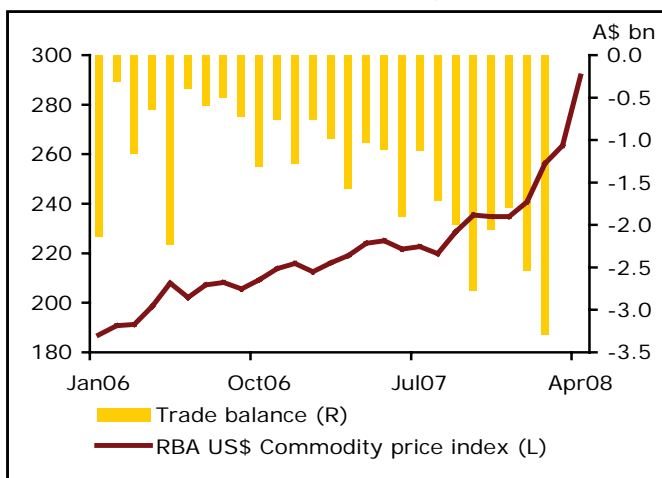
### Cdn Factory Workers More Expensive



### Japanese Wage Inflation Heats Up



### Aussie Trade and Commodity Prices



# CANADIAN RELEASE AND EVENT DATES April/May 2008



MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
28	29	30	1	2
	<b>BUSINESS CONDITIONS SURVEY</b> 8:30 AM	<b>GDP BY INDUSTRY</b> 8:30 AM (2002\$) GDP IND.PROD. M M DEC -0.7 -2.4 JAN 0.6 1.0 FEB -0.2 -0.6  <b>INDUSTRIAL PRICES</b> 8:30 AM M (NSA) Y JAN 1.0 0.0 FEB 0.2 -0.7 MAR 1.7 -0.3		
	<b>Newfoundland and Labrador Budget</b>			
5	6	7	8	9
<b>INTERNATIONAL RESERVES</b> 8:15 AM \$BN \$BN CHANGE LEVEL FEB 1.352 43.6 MAR -0.556 43.1 APR	<b>BUILDING PERMITS (\$)</b> 8:30 AM M M (RES) (NON-RES) JAN -15.0 16.7 FEB 18.2 -25.6 MAR  <b>IVEY PURCHASING MANAGERS' INDEX</b> 10:00 AM		<b>HOUSING STARTS</b> 8:15 AM 000's (AR) TOTAL SINGLES FEB 244 83 MAR 243 81 APR	<b>LABOUR FORCE SURVEY</b> 7:00 AM AVG EMPLOY UNEMP HRLY (HOUSE) RATE EARN M Y % Y FEB 0.3 2.2 5.8 4.7 MAR 0.1 1.9 6.0 4.7 APR  <b>MERCHANDISE TRADE</b> 8:30 AM \$MN 12 MO. BALANCE JAN 2,780 47,002 FEB 4,935 47,859 MAR
12	13	14	15	16
<b>NEW HOUSING PRICE INDEX</b> 8:30 AM			<b>SURVEY OF MANUFACTURING SHIPMENTS</b> 8:30 AM M Y JAN 1.3 -3.6 FEB 1.6 -2.3 MAR  <b>WAGE SETTLEMENTS</b> 10:00 AM (%) PVT. PUB. TOT. JAN 4.5 2.9 3.3 FEB 3.9 3.1 3.4 MAR	<b>CAR &amp; TRUCK SALES</b> 8:30 AM 000's (AR) TOTAL DOM.BUILT CAR SALES JAN 1,853 644 FEB 1,793 606 MAR
19	20	21	22	23
<b>VICTORIA DAY (HOLIDAY)</b> (Markets Closed)	<b>WHOLESALE TRADE</b> 8:30 AM  <b>INT'L TRANSACTIONS IN SECURITIES C\$BN</b> 8:30 AM NET NET NET NET BONDS MONEY STOCKS TOT MARKET JAN 6.3 -2.1 -3.3 0.9 FEB 3.7 -1.2 1.3 3.8 MAR	<b>CONSUMER PRICE INDEX</b> 7:00 AM M (NSA) Y FEB 0.4 1.8 MAR 0.4 1.4 APR  <b>LEADING INDICATOR</b> 8:30 AM	<b>RETAIL TRADE</b> 8:30 AM (Current\$) M Y JAN 1.4 7.8 FEB -0.7 5.7 MAR  <b>QUARTERLY FINANCIAL STATISTICS</b> 8:30 AM	
26	27	28	29	30
			<b>BALANCE OF INT'L PAYMENTS</b> 8:30 AM CURR. ACCT. BAL. \$BN(QR) \$BN(AR) 07:Q3 1.3 5.3 07:Q4 -0.5 -2.1 08:Q1	<b>GDP BY INDUSTRY</b> 8:30 AM (2002\$) GDP IND.PROD. M M JAN 0.6 1.0 FEB -0.2 -0.6 MAR  <b>NATIONAL ACCOUNTS</b> 8:30 AM REAL PRICE GDP DEFLATOR %ch AR %ch AR 07:Q3 3.0 -0.7 07:Q4 0.8 4.5 08:Q1  <b>INDUSTRIAL PRICES</b> 8:30 AM M (NSA) Y FEB 0.2 -0.7 MAR 1.7 -0.3 APR

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. Dates are subject to change. Sources for historical data: Statistics Canada, CMHC, Human Resources Development Canada and the Bank of Canada.

# U.S. RELEASE AND EVENT DATES April/May 2008



CIBC  
World Markets

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
28	29	30	1	2
	<b>S&amp;P/CASE-SHILLER HOUSE PRICE INDEX</b> 9:00 AM  <b>CONSUMER CONFIDENCE</b> 10:00 AM  <b>2-Day FOMC Meeting</b> <i>BOT (9:00) REDBOOK (10:40)</i>	<b>ADP SURVEY</b> 8:15 AM  <b>GDP</b> 8:30 AM (AR) REAL IMPLICIT GDP DEFLATOR 07:Q3(F) 4.9 1.0 07:Q4(F) 0.6 2.4 08:Q1(A) 0.6 2.6  <b>CHICAGO PMI</b> 9:45 AM <i>2-, 5-Yr NOTE SETTLEMENT</i> <i>10-, 30-Yr (r) NOTE ANNOUNCEMENT</i>  <b>FOMC Rate Decision</b>	<b>PERS. INCOME &amp; OUTLAYS</b> 8:30 AM SAVING INCOME CONS RATE M M AR JAN 0.3 0.4 0.0 FEB 0.5 0.1 0.4 MAR 0.3 0.4 0.2  <b>ISM MFG SURVEY</b> 10:00 AM COMP. PRICES INDEX INDEX FEB 48.3 75.5 MAR 48.6 83.5 APR 48.6 84.5  <b>DOMESTIC AUTO SALES</b> <i>INITIAL JOBLESS CLAIMS (8:30)</i>	<b>EMP. SITUATION</b> 8:30 AM NON- CIV AVG FARM UNEMP HRLY PAYROLL RATE EARN (000s) M % Y FEB -83 4.8 3.7 MAR -81 5.1 3.7 APR -20 5.0 3.4  <b>FACTORY ORDERS</b> 10:00 AM M Y JAN -2.3 7.9 FEB -0.9 6.5 MAR 1.4 3.7
5	6	7	8	9
<b>ISM NON-MFG SURVEY</b> 10:00 AM  <b>Chairman Bernanke speaks in NYC on mortgage foreclosures at 8:30 PM ET</b>	<i>BOT (9:00) REDBOOK (10:40)</i>	<b>NON-FARM PRODUCTIVITY</b> 8:30 AM Q/Q (AR) Y/Y 07:Q3 (R) 6.3 2.9 07:Q4 (R) 1.9 2.9 08:Q1 (P)  <b>CONSUMER CREDIT</b> 3:00PM  <i>10-NOTE AUCTION</i>	<i>30-Yr (r) NOTE AUCTION</i>  <i>INITIAL JOBLESS CLAIMS (8:30)</i>	<b>GOODS &amp; SERVICES BALANCE (BOP) \$B</b> 8:30 AM GDS SERV TOT JAN -69.4 10.5 -59.0 FEB -72.9 10.6 -62.3 MAR
12	13	14	15	16
<b>TREASURY BUDGET</b> 2:00 PM	<b>Chairman Bernanke speaks at Atlanta Fed Conf. via satellite on financial market reforms @ 8:20 AM ET</b>  <b>RETAIL SALES</b> 8:30 AM M Y FEB -0.4 2.8 MAR 0.2 2.0 APR  <b>BUSINESS INVENTORIES</b> 10:00 AM  <i>BOT (9:00) REDBOOK (10:40)</i>	<b>CONSUMER PRICE INDEX</b> 8:30 AM M (SA) Y (NSA) FEB 0.0 4.0 MAR 0.3 4.0 APR  <b>CONSUMER CREDIT</b> 3:00PM  <i>10-NOTE AUCTION</i>	<b>NET CAPITAL INFLOWS TICS</b> 9:00 AM  <b>CAPACITY UTIL/IND. PROD.</b> 9:15 AM LEV M Y FEB 80.3 -0.7 1.2 MAR 80.5 0.3 1.5 APR  <b>Chairman Bernanke speaks on credit market turmoil in Chicago at Fed Conference @ 9:20 AM ET</b>  <b>PHILADELPHIA FED INDEX</b> 10:00 PM  <b>MONEY SUPPLY M-2</b> 4:30 PM M Y FEB 1.4 6.6 MAR 1.0 7.0 APR  <i>10-Yr, 30-Yr (r) NOTE SETTLEMENT</i>  <i>INITIAL JOBLESS CLAIMS (8:30)</i>	<b>HOUSING STARTS</b> 8:30 AM MIL (AR) M FEB 1.075 -0.7 MAR 0.947 -11.9 APR  <b>MICHIGAN SENTIMENT (P)</b> 10:00 AM
19	20	21	22	23
<b>LEADING INDICATOR</b> 10:00 AM	<b>PRODUCER PRICE INDEX</b> 8:30 AM M (SA) Y (NSA) FEB 0.3 6.4 MAR 1.1 6.9 APR  <i>BOT (9:00) REDBOOK (10:40)</i>	<b>FOMC Minutes</b>	<i>2-, 5-Yr NOTE ANNOUNCEMENT</i>  <i>INITIAL JOBLESS CLAIMS (8:30)</i>	<b>EXISTING HOME SALES</b> 10:00 AM
26	27	28	29	30
<b>MEMORIAL DAY (HOLIDAY)</b> (Markets Closed)	<b>S&amp;P/CASE-SHILLER HOUSE PRICE INDEX</b> 9:00 AM  <b>NEW HOME SALES</b> 10:00 AM  <b>CONSUMER CONFIDENCE</b> 10:00 AM	<b>DURABLE GOODS ORDERS</b> 8:30 AM M Y FEB -0.6 3.5 MAR 0.1 -1.4 APR  <i>2-Yr NOTE AUCTION</i>  <i>BOT (9:00) REDBOOK (10:40)</i>	<b>GDP</b> 8:30 AM (AR) REAL IMPLICIT GDP DEFLATOR 07:Q4(F) 0.6 2.4 08:Q1(A) 0.6 2.6 08:Q1(P)  <b>Corporate Profits</b> 8:30 AM  <i>5-Yr NOTE AUCTION</i>  <i>INITIAL JOBLESS CLAIMS (8:30)</i>	<b>PERS. INCOME &amp; OUTLAYS</b> 8:30 AM SAVING INCOME CONS RATE M M AR FEB 0.5 0.1 0.4 MAR 0.3 0.4 0.2 APR  <b>CHICAGO PMI</b> 9:45 AM  <b>MICHIGAN SENTIMENT (F)</b> 10:00 AM

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. 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 IDA 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.

© 2008 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.