



June 22, 2007

S&P Canadian
Bond Index

See "Legal Disclaimer" section at the end of this report for important disclosures, including potential conflicts of interest

Maurice Smith, CFA, 416-594-8076
Kenneth Kelly, CFA, 416-594-8238
Jonathan O'Keefe, 416-594-7388
Joanna Zapior, CFA, 416-594-8498

Index Rebalancing Forecast

Jonathan O'Keefe 416-594-7388, Maurice Smith 416-594-8076, Ken Kelly 416-594-8238

Summary of projected changes to the index due to the June 2007 rebalancing effects

On the upcoming June 29 rebalancing date, the duration of the S&P Canadian Bond Index is projected to extend by 0.06 due to month-end rebalance effects (Figure 1), resulting in a projected duration of 6.34 at the close of June 29, 2007.

- The broad composite index will experience a net increase of \$9.6 bn in par value due to rebalancing. The net increase results from more than \$17 bn in new bond issues and reopenings and over \$7.4 bn in face value leaving the index.
- On average over the last ten years, the broad market composite index has extended by 0.01 at the June month-end rebalancing, fluctuating within a range of -0.02 to 0.07.
- The short index weight will increase by 1.48% due primarily to the addition of the \$9 bn 4.80% Canada Housing Trust 06/15/12 issue and the roll of the \$7.7 bn 4.0% Canada Housing Trust 06/15/12 issue from the mid to the short sector.
- Figures 2 to 5 below illustrate the impact of the June 29 rebalancing on the broad, short, mid and long indices at the sectoral level.
- See Figure 6 on page 4 for details of projected changes to the index on a bond-by-bond basis.
- See Figure 7 on page 5 for details of projected June 29 index rolls on a bond-by-bond basis.

Figure 1: Projected changes in index characteristics for June 29, 2007

S&P CANADIAN BOND INDEX: Projected changes in weights (%)					
Sector	20-Jun	29-Jun	Time ¹	Rebalance ²	Total Change
BROAD COMPOSITE	100.00	100.00	0.00	0.00	0.00
SHORT TERM	46.49	47.97	0.00	1.48	1.47
MID TERM	23.86	22.52	0.00	-1.35	-1.35
LONG TERM	29.64	29.52	0.00	-0.13	-0.13

1. "Time" is the projected change, prior to the rebalancing, due to the passage of time from June 20 to June 29 given yields of June 20.
2. "Rebalance" is the change due to projected rebalancing effects on June 29.

S&P CANADIAN BOND INDEX: Projected changes in modified duration					
Sector	20-Jun	29-Jun	Time ¹	Rebalance ²	Total Change
BROAD COMPOSITE	6.30	6.34	-0.02	0.06	0.03
SHORT TERM	2.63	2.76	-0.02	0.15	0.13
MID TERM	6.03	6.17	-0.02	0.16	0.13
LONG TERM	12.29	12.28	-0.02	0.02	0.00

1. "Time" is the projected change, prior to the rebalancing, due to the passage of time from June 20 to June 29 given yields of June 20.
2. "Rebalance" is the change due to projected rebalancing effects on June 29.

Source for all the data in this report CIBC World Markets and S&P Canadian Bond Index

Note that we use 'will/would/is/expected to' interchangeably for readability. All comments are our opinions only, based on the application of the index methodology.

Within the broad composite, there will be a shift in weight of 0.29% from corporates to governments due to rebalancing. The Canada/Agencies will have the biggest relative increase (i.e. +0.85%), largely due to the addition of the CHT 4.8% 06/15/12 issue at month end.

Governments will see duration extend by 0.03 due to rebalancing, with provincials sector being the largest contributor (i.e. +0.22). This increase can be attributed mostly to the reopening of a mid and three long provincial issues.

In the short index, Canada/Agencies will see the biggest increase in weight within governments (i.e. - 2.79%), mostly due to the addition of the \$9 bn CHT 4.8 06/15/12 issue. Corporate BBBs will have the biggest decrease (i.e. -0.60%) in corporates, largely due to the deletion of four issues from this sector.

Corporates will extend duration by 0.15, with the largest increase coming in the corporate A sector (i.e. +0.24).

Figure 2: Projected changes in broad index characteristics for June 29, 2007

S&P CANADIAN BOND INDEX: Projected changes in weight in broad index					
Sector	20-Jun	29-Jun	Time ¹	Rebalance ²	Total Change
BROAD COMPOSITE	100.00	100.00	0.00	0.00	0.00
ALL GOVERNMENTS	71.75	72.04	0.01	0.29	0.30
CANADA/AGENCIES	44.41	45.27	0.01	0.85	0.86
ALL PROVINCIALS	25.28	24.71	0.00	-0.56	-0.57
MUNICIPALS	2.05	2.06	0.00	0.00	0.00
ALL CORPORATES	28.25	27.96	-0.01	-0.29	-0.30
CORPORATE AAA	3.97	3.82	0.00	-0.16	-0.16
CORPORATE AA	7.08	7.17	-0.01	0.09	0.08
CORPORATE A	11.10	11.16	0.00	0.06	0.06
CORPORATE BBB	6.10	5.82	0.00	-0.28	-0.28

1. "Time" is the projected change, prior to the rebalancing, due to the passage of time from June 20 to June 29 given yields of June 20.
2. "Rebalance" is the change due to projected rebalancing effects on June 29.

S&P CANADIAN BOND INDEX: Projected changes in duration in broad index					
Sector	20-Jun	29-Jun	Time ¹	Rebalance ²	Total Change
BROAD COMPOSITE	6.30	6.34	-0.02	0.06	0.03
ALL GOVERNMENTS	6.65	6.66	-0.02	0.03	0.01
CANADA/AGENCIES	5.75	5.69	-0.02	-0.03	-0.06
ALL PROVINCIALS	8.17	8.37	-0.02	0.22	0.20
MUNICIPALS	7.34	7.36	-0.02	0.04	0.02
ALL CORPORATES	5.43	5.52	-0.02	0.10	0.08
CORPORATE AAA	3.21	3.24	-0.02	0.06	0.03
CORPORATE AA	4.16	4.25	-0.02	0.10	0.08
CORPORATE A	6.60	6.65	-0.02	0.07	0.05
CORPORATE BBB	6.23	6.40	-0.02	0.18	0.17

1. "Time" is the projected change, prior to the rebalancing, due to the passage of time from June 20 to June 29 given yields of June 20.
2. "Rebalance" is the change due to projected rebalancing effects on June 29.

Figure 3: Projected changes in short index characteristics for June 29, 2007

S&P CANADIAN BOND INDEX: Projected changes in weight in short index					
Sector	20-Jun	29-Jun	Time ¹	Rebalance ²	Total Change
SHORT COMPOSITE	100.00	100.00	0.00	0.00	0.00
ALL GOVERNMENTS	69.34	70.26	0.01	0.92	0.93
CANADA/AGENCIES	54.28	57.09	0.01	2.79	2.80
ALL PROVINCIALS	14.09	12.25	0.00	-1.84	-1.84
MUNICIPALS	0.96	0.92	0.00	-0.04	-0.04
ALL CORPORATES	30.66	29.74	-0.01	-0.92	-0.93
CORPORATE AAA	6.47	6.10	0.00	-0.38	-0.37
CORPORATE AA	9.34	9.21	-0.01	-0.12	-0.13
CORPORATE A	9.26	9.43	0.00	0.18	0.18
CORPORATE BBB	5.59	4.99	0.00	-0.60	-0.60

1. "Time" is the projected change, prior to the rebalancing, due to the passage of time from June 20 to June 29 given yields of June 20.
2. "Rebalance" is the change due to projected rebalancing effects on June 29.

S&P CANADIAN BOND INDEX: Projected changes in duration in short index					
Sector	20-Jun	29-Jun	Time ¹	Rebalance ²	Total Change
SHORT COMPOSITE	2.63	2.76	-0.02	0.15	0.13
ALL GOVERNMENTS	2.68	2.81	-0.02	0.16	0.13
CANADA/AGENCIES	2.73	2.86	-0.02	0.15	0.12
ALL PROVINCIALS	2.46	2.59	-0.02	0.16	0.14
MUNICIPALS	2.77	2.75	-0.02	0.00	-0.02
ALL CORPORATES	2.52	2.65	-0.02	0.15	0.13
CORPORATE AAA	2.45	2.51	-0.02	0.09	0.07
CORPORATE AA	2.51	2.57	-0.02	0.08	0.06
CORPORATE A	2.63	2.85	-0.02	0.24	0.22
CORPORATE BBB	2.45	2.59	-0.02	0.16	0.14

1. "Time" is the projected change, prior to the rebalancing, due to the passage of time from June 20 to June 29 given yields of June 20.
2. "Rebalance" is the change due to projected rebalancing effects on June 29.

In the mid index, governments will see a decrease in weight of 1.02%. The Canada/Agencies sector will see the largest decrease (i.e. -3.01%), largely due to the roll of the \$7.7 bn 4% CHT '12 issue from the mid to the short sector.

The corporate sector will see duration increase by 0.19, with the largest increase occurring in corporate A's (i.e.+ 0.27) mostly due to the roll of three financial A issues from the mid to the short index.

Figure 4: Projected changes in mid index characteristics for June 29, 2007

S&P CANADIAN BOND INDEX: Projected changes in weight in mid index					
Sector	20-Jun	29-Jun	Time ¹	Rebalance ²	Total Change
MID COMPOSITE	100.00	100.00	0.00	0.00	0.00
ALL GOVERNMENTS	67.07	66.07	0.02	-1.02	-1.00
CANADA/AGENCIES	36.86	33.86	0.01	-3.01	-3.00
ALL PROVINCIALS	27.14	28.94	0.00	1.79	1.80
MUNICIPALS	3.08	3.27	0.00	0.20	0.20
ALL CORPORATES	32.93	33.93	-0.02	1.02	1.00
CORPORATE AAA	4.04	3.96	0.00	-0.08	-0.08
CORPORATE AA	9.34	9.96	-0.01	0.63	0.62
CORPORATE A	12.92	13.21	0.00	0.29	0.29
CORPORATE BBB	6.63	6.80	0.00	0.17	0.17

1. "Time" is the projected change, prior to the rebalancing, due to the passage of time from June 20 to June 29 given yields of June 20.
2. "Rebalance" is the change due to projected rebalancing effects on June 29.

S&P CANADIAN BOND INDEX: Projected changes in duration in mid index					
Sector	20-Jun	29-Jun	Time ¹	Rebalance ²	Total Change
MID COMPOSITE	6.03	6.17	-0.02	0.16	0.13
ALL GOVERNMENTS	6.09	6.21	-0.02	0.14	0.12
CANADA/AGENCIES	6.21	6.44	-0.02	0.26	0.24
ALL PROVINCIALS	5.92	5.93	-0.02	0.03	0.01
MUNICIPALS	6.24	6.23	-0.02	0.02	-0.01
ALL CORPORATES	5.91	6.08	-0.02	0.19	0.17
CORPORATE AAA	5.59	5.64	-0.02	0.08	0.05
CORPORATE AA	5.81	6.04	-0.01	0.24	0.23
CORPORATE A	5.93	6.17	-0.02	0.27	0.25
CORPORATE BBB	6.20	6.21	-0.02	0.03	0.02

1. "Time" is the projected change, prior to the rebalancing, due to the passage of time from June 20 to June 29 given yields of June 20.
2. "Rebalance" is the change due to projected rebalancing effects on June 29.

Figure 5: Projected changes in long index characteristics for June 29, 2007

S&P CANADIAN BOND INDEX: Projected changes in weight in long index					
Sector	20-Jun	29-Jun	Time ¹	Rebalance ²	Total Change
LONG COMPOSITE	100.00	100.00	0.00	0.00	0.00
ALL GOVERNMENTS	79.29	79.49	-0.01	0.21	0.20
CANADA/AGENCIES	35.02	34.78	0.01	-0.25	-0.24
ALL PROVINCIALS	41.33	41.73	-0.02	0.42	0.40
MUNICIPALS	2.94	2.98	0.00	0.04	0.04
ALL CORPORATES	20.71	20.51	0.01	-0.21	-0.20
CORPORATE AAA	0.00	0.00	0.00	0.00	0.00
CORPORATE AA	1.73	1.71	0.00	-0.02	-0.02
CORPORATE A	12.51	12.39	0.01	-0.13	-0.12
CORPORATE BBB	6.47	6.41	0.00	-0.06	-0.07

1. "Time" is the projected change, prior to the rebalancing, due to the passage of time from June 20 to June 29 given yields of June 20.
2. "Rebalance" is the change due to projected rebalancing effects on June 29.

S&P CANADIAN BOND INDEX: Projected changes in duration in long index					
Sector	20-Jun	29-Jun	Time ¹	Rebalance ²	Total Change
LONG COMPOSITE	12.29	12.28	-0.02	0.02	0.00
ALL GOVERNMENTS	12.47	12.47	-0.02	0.02	0.00
CANADA/AGENCIES	12.68	12.68	-0.02	0.02	0.00
ALL PROVINCIALS	12.42	12.42	-0.01	0.01	0.00
MUNICIPALS	10.61	10.61	-0.02	0.03	0.00
ALL CORPORATES	11.59	11.57	-0.02	0.00	-0.02
CORPORATE AA	11.01	10.98	-0.02	0.00	-0.02
CORPORATE A	11.77	11.74	-0.02	0.00	-0.02
CORPORATE BBB	11.39	11.38	-0.01	0.00	-0.01

1. "Time" is the projected change, prior to the rebalancing, due to the passage of time from June 20 to June 29 given yields of June 20.
2. "Rebalance" is the change due to projected rebalancing effects on June 29.

In the long index, governments will see an increase in weight of 0.21%. The biggest increase will occur in the all provincials sector (i.e. +0.42%), mostly attributed to the reopening of the three provincial issues.

The government sector will see duration increase by 0.02, with the largest increase coming in municipals (i.e. +0.03) This is mostly due to the addition of the new \$212 mn Ontario School Boards issue.

Figure 6 shows CIBC World Market's forecasted additions, deletions, net re-openings and other changes to the index due to take effect on the June 29, 2007 rebalancing.

Additions, along with net reopening/repurchase activity, will add more than \$17 bn in par to the index. The Canada Housing Trust 4.8% 06/15/12 (\$9 bn) new issue accounts for more than 50% of this amount. In total, the index par value will increase by over \$9.6 bn.

Figure 6: Projected changes in the composition of the index on June 29, 2007

Issue	Coupon (%)	Maturity	Par value (\$000's)	Market value weight		Sector
ADDITIONS						
FARM CREDIT CORP	4.50	1-Jun-09	350,000	0.05%	SHORT	CANADA/FEDERAL AGENCIES
MANITOBA	4.70	17-Dec-09	200,000	0.03%	SHORT	ALL PROVINCIALS
LAURENTIAN BANK	5.05	8-Jun-10	125,000	0.02%	SHORT	FINANCIALS BBB
BANK OF NOVA SCOTIA	4.93	8-Jun-10	850,000	0.13%	SHORT	FINANCIALS A
CATERPILLAR INC	4.94	1-Jun-12	600,000	0.09%	SHORT	INDUSTRIALS A
CANADA HOUSING TRUST	4.80	15-Jun-12	9,000,000	1.35%	SHORT	CANADA/FEDERAL AGENCIES
WELLS FARGO & CO	5.10	26-Jun-12	300,000	0.04%	SHORT	FINANCIALS AA
ROYAL BANK	4.97	5-Jun-14	750,000	0.11%	MID	FINANCIALS A
ASIAN DEV BANK	4.75	15-Jun-17	300,000	0.04%	MID	CANADA/FEDERAL AGENCIES
BANK OF MTL	5.20	21-Jun-17	1,200,000	0.18%	MID	FINANCIALS AA
GREAT WEST LIFE	5.69	21-Jun-17	1,000,000	0.15%	MID	FINANCIALS A
BRITISH COLUMBIA	4.80	15-Jun-21	230,000	0.03%	LONG	ALL PROVINCIALS
ONTARIO SCHOOL BOARDS FIN	5.38	25-Jun-32	212,010	0.03%	LONG	MUNICIPALS
TOTAL ADDITIONS			15,117,010	2.26%		
DELETIONS						
MANITOBA TELECOM	5.90	2-Jun-08	(60,000)	0.00	SHORT	TELECOMMUNICATION SERVICES BBB
MANITOBA	5.75	2-Jun-08	(599,600)	0.00	SHORT	ALL PROVINCIALS
TRANSALTA UTILITIES	5.75	2-Jun-08	(60,000)	0.00	SHORT	UTILITIES BBB
SASKATCHEWAN	5.50	2-Jun-08	(399,800)	0.00	SHORT	ALL PROVINCIALS
PANCANADIAN PETROLEUM	5.80	2-Jun-08	(225,000)	0.00	SHORT	ENERGY A
ONTARIO HYDRO	5.60	2-Jun-08	(1,105,228)	0.00	SHORT	ALL PROVINCIALS
OMERS REALTY	4.69	2-Jun-08	(500,000)	0.00	SHORT	FINANCIALS AAA
NEW BRUNSWICK	5.70	2-Jun-08	(514,082)	0.00	SHORT	ALL PROVINCIALS
CANADIAN UTILITIES	6.97	2-Jun-08	(100,000)	0.00	SHORT	UTILITIES A
BC GAS UTILITY	6.20	2-Jun-08	(188,000)	0.00	SHORT	UTILITIES BBB
BELL MOBILITY CELLULAR	6.55	2-Jun-08	(150,000)	0.00	SHORT	TELECOMMUNICATION SERVICES A
GREATER TORONTO AIRPORT	5.17	2-Jun-08	(375,000)	0.00	SHORT	INDUSTRIALS A
NEXEN INC	6.30	2-Jun-08	(125,000)	0.00	SHORT	ENERGY BBB
EPCOR UTILITIES INC.	6.20	2-Jun-08	(200,000)	0.00	SHORT	UTILITIES BBB
LOBLAWS	6.00	2-Jun-08	(390,000)	0.00	SHORT	CONSUMER STAPLES BBB
ALTALINK LP	4.45	5-Jun-08	(100,000)	0.00	SHORT	UTILITIES A
BRITISH COLUMBIA	6.00	9-Jun-08	(1,448,232)	0.00	SHORT	ALL PROVINCIALS
CANADIAN TIRE	5.70	9-Jun-08	(150,000)	0.00	SHORT	CONSUMER DISCRETIONARY BBB
WELLS FARGO & CO	5.00	16-Jun-08	(200,000)	0.00	SHORT	FINANCIALS AA
CDN CAP AUTO REC	3.38	17-Jun-08	(180,000)	0.00	SHORT	ASSET BACKED SECURITIES AAA
FINNING INTL INC	7.40	19-Jun-08	(200,000)	0.00	SHORT	INDUSTRIALS BBB
HYDRO ONE INC.	4.00	23-Jun-08	(500,000)	0.00	SHORT	UTILITIES A
TELEBEC LTEE	5.85	23-Jun-08	(50,000)	0.00	SHORT	TELECOMMUNICATION SERVICES BBB
TRANS CDA PIPE	5.84	27-Jun-08	(256,000)	0.00	SHORT	ENERGY A
TOTAL DELETIONS			(8,075,942)	1.22%		
RE-OPENINGS/REPURCHASES						
ONTARIO	4.30	8-Mar-17	600,000	0.00	MID	ALL PROVINCIALS
QUEBEC	4.50	1-Dec-17	500,000	0.00	LONG	ALL PROVINCIALS
CANADA	8.00	1-Jun-23	(259,085)	0.00	LONG	CANADA/FEDERAL AGENCIES
CANADA	8.00	1-Jun-27	(100,000)	0.00	LONG	CANADA/FEDERAL AGENCIES
NEW BRUNSWICK	4.55	26-Mar-37	300,000	0.00	LONG	ALL PROVINCIALS
CANADA	5.00	1-Jun-37	300,000	0.00	LONG	CANADA/FEDERAL AGENCIES
ONTARIO	4.70	2-Jun-37	600,000	0.00	LONG	ALL PROVINCIALS
NET RE-OPENINGS			1,940,915	0.26%		
STRIPPING AND RECONSTITUTION						
CANADA	5.25	01-Jun-12	713,800	0.11%	SHORT	CANADA/FEDERAL AGENCIES
CANADA	9.00	01-Jun-25	140,850	0.03%	LONG	CANADA/FEDERAL AGENCIES
ONTARIO	6.20	02-Jun-31	128,200	0.02%	LONG	ALL PROVINCIALS
QUEBEC	8.50	01-Apr-26	102,000	0.02%	LONG	ALL PROVINCIALS
EXPORT DEVELOPMENT CORP	6.20	22-Jun-10	95,000	0.01%	SHORT	CANADA/FEDERAL AGENCIES
CANADA	8.00	01-Jun-27	82,000	0.02%	LONG	CANADA/FEDERAL AGENCIES
QUEBEC HYDRO	6.50	15-Feb-35	79,450	0.01%	LONG	ALL PROVINCIALS
ONTARIO	7.60	02-Jun-27	79,000	0.02%	LONG	ALL PROVINCIALS
CANADA	3.75	01-Jun-12	(736,000)	-0.10%	SHORT	CANADA/FEDERAL AGENCIES
ALL OTHER			(54,320)	-0.01%		
NET STRIPS AND RECONS			629,980	0.14%		
TOTAL			9,611,964			

Figure 7 shows projected rolls between the long, mid and short indices on June 29, 2007.
 Over 65% of the value of the mid to short rolls can be attributed to a single bond, the \$7.7 bn Canada Housing Trust 4 % 06/15/12 issue.

Figure 7: Projected index rolls on June 29, 2007 (par values)

Issue	Coupon (%)	Maturity	Par value (\$000's)	Sector
Rolls				
Mid to Short				
ALGONQUIN CREDIT CARDS TR	4.56	15-Jun-12	397,500	ASSET BACKED SECURITIES AAA
BANK OF NOVA SCOTIA	6.63	30-Jun-12	750,000	FINANCIALS A
CANADA HOUSING TRUST	4.00	15-Jun-12	7,700,000	CANADA/FEDERAL AGENCIES
CANADA LIFE ASSURANCE CO	6.68	30-Jun-12	300,000	FINANCIALS A
FIRST CAPITAL REALTY INC.	5.08	21-Jun-12	100,000	FINANCIALS BBB
MANULIFE FINACIAL	6.70	30-Jun-12	940,000	FINANCIALS A
RIOCAN REAL ESTATE INVST	4.70	15-Jun-12	100,000	FINANCIALS BBB
SUN LIFE ASSURANCE	6.15	30-Jun-12	800,000	FINANCIALS AA
TOTAL			11,087,500	
Long to Mid				
NEW BRUNSWICK	6.75	27-Jun-17	243,520	ALL PROVINCIALS
YORK REGION	7.25	19-Jun-17	75,000	MUNICIPALS
TOTAL			318,520	
TOTAL			11,406,020	

Potential Conflicts of Interest: Research analysts and economists employed by CIBC World Markets are compensated from revenues generated by various CIBC World Markets businesses, including the CIBC World Markets Investment Banking Department within the Corporate and Leveraged Finance Division. Research analysts do not receive compensation based upon revenues from specific investment banking transactions. CIBC World Markets generally prohibits any research analyst and any member of his or her household from executing trades in the securities of a company that such research analyst covers. Additionally, CIBC World Markets generally prohibits any research analyst from serving as an officer, director or advisory board member of a company that such analyst covers.

CIBC World Markets may have a long or a short position or deal as principal in the securities discussed herein, related securities or in options, futures or other derivative instruments based thereon.

Legal Disclaimer: This report is issued and approved for distribution by (i) in Canada, CIBC World Markets Inc., a member of the Investment Dealers Association ("IDA"), the Toronto Stock Exchange, the TSX Venture Exchange and CIPF, (ii) in the United Kingdom, CIBC World Markets plc, which is regulated by the Financial Services Authority ("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 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.

The securities mentioned in this report may not be suitable for all types of investors. This report does not take into account investment objectives, financial situation or specific needs of any particular client of CIBC World Markets. Recipients should consider this report as only a single factor in making an investment decision and should not rely solely on investment recommendations contained herein as a substitution for independent judgment of the merits and risks of investments. Before making an investment decision with respect to any security recommended in this report, the recipient should consider whether such recommendation is appropriate given the recipient's particular investment needs, objectives and financial circumstances. CIBC World Markets suggests that, prior to acting on any of the recommendations herein, Canadian retail clients of CIBC World Markets contact one of our client advisers in your jurisdiction to discuss your particular circumstances. Non-client recipients of this report who are not institutional investor clients of CIBC World Markets should consult with an independent financial advisor prior to making any investment decision based on this report or for any necessary explanation of its contents. CIBC World Markets will not treat non-client recipients as its clients by virtue of their receiving this report.

Past performance is not a guarantee of future results, and no representation or warranty, express or implied, is made regarding future performance of any security mentioned in this report. The price of the securities mentioned in this report and the income they produce may fluctuate and/or be adversely affected by exchange rates, and investors may realize losses on investments in such securities, including the loss of investment principal. CIBC World Markets accepts no liability for any loss arising from the use of information contained in this report, except to the extent that liability may arise under specific statutes or regulations applicable to CIBC World Markets.

Information, opinions and statistical data contained in this report were obtained or derived from sources believed to be reliable. CIBC World Markets does not represent that such information, opinion or statistical data is accurate or complete (with the exception of information contained in the Important Disclosures section of this report provided by CIBC World Markets or individual research analysts). They should not be relied upon as such. All estimates, opinions and recommendations expressed herein constitute judgments as of the date of this report and are subject to change without notice.

Nothing in this report constitutes legal, accounting or tax advice. Since levels and bases of taxation can change, any reference in this report to the impact of taxation should not be construed as tax advice on the tax consequences of investments. As with any investment having potential tax implications, clients should consult with their own independent tax adviser.

This report may provide addresses of, or contain hyperlinks to, Internet web sites. CIBC World Markets has not reviewed the linked Internet web site of any third party and takes no responsibility for the contents thereof. Each such address or hyperlink is provided solely for the recipient's convenience and information, and the content of linked third party web sites is not in any way incorporated into this document. Recipients who choose to access such third-party web sites or follow such hyperlinks do so at their own risk.

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.

© 2007 CIBC World Markets Inc. All rights reserved. Unauthorized use, distribution, duplication or disclosure without the prior written permission of CIBC World Markets is prohibited by law and may result in prosecution.