

Website: <http://www.jenniferjackson.ca>

Monthly World Markets Report



With the Compliments of:
Jennifer Jackson, Investment Advisor
Tel: (519) 640-7643
Toll Free: 1-800-265-5982
Fax: (519) 663-5037
email: jennifer.jackson@cibc.ca

Inside This Issue

- 2 Capital Trust Securities Q&A
- 3 Crude Behaviour
- 4 **Canadian Equities:**
Manulife Financial Corp.
Rogers Communications Inc.
Methanex Corp.
Davis + Henderson Income Fund
- 6 Charting Trends
- 7 CIBC Economics Department
Interest Rate Outlook

CIBC World Markets
Economic Outlook

Company Disclosures And
Disclaimers
- 8 CIBC World Markets
Research Rating System

CIBC World Markets
Disclaimers

See Legal Disclaimer and Important Disclosure Footnotes at the end of this report for disclosures, including potential conflicts of interest. Complete research on any securities mentioned in this report is available from your Investment Advisor. Unless otherwise noted, all prices quoted in this report are as of the close of markets on March 25, 2009.

When The Market Turns

In the January issue of our *Monthly World Markets Report* we predicted that the markets would remain challenged in the first half of 2009 due to the deteriorating economy. We expected some choppiness, but were surprised to see the S&P/TSX Composite Index down nearly 16% by early March. It appears other investors were similarly surprised, as buying activity sent the market 16% higher in less than three weeks since the low.

In *Charting Trends* on pg. 6 we highlight that several leading indicators have begun to demonstrate a positive trend in recent weeks, providing evidence that the global economic freefall may be abating. U.S. retail sales and housing activity have also beat expectations recently, pointing to strength from the all-important U.S. consumer. These could all be false signals – perhaps inevitable rebounds from dramatic declines – but one should take notice.

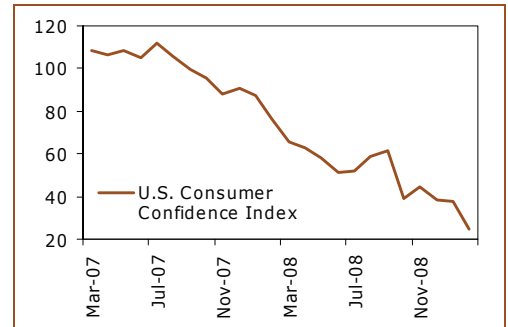
With positive sentiment creeping back into markets, the question remains whether it will hold, or disappear like so many false starts over the past year. We believe two key elements are necessary for the rally to be sustained. First, the U.S. Treasury's recently announced plans to remove toxic assets from U.S. banks must be successful once it is put into action. After the U.S. Treasury secretary unveiled a vague outline of a plan on February 10, investors had to sit and watch the S&P 500 lose 22% over the following month. Markets responded positively, however, on March 23 when details of the plan were revealed. If the plan fails to improve the stability of U.S. banks, confidence will likely be lost once again. Second, U.S. housing prices must begin to stabilize. As housing prices fall, two important pillars of the economy are negatively affected: consumer confidence and the health of U.S. banks, which hold mortgages that rise and fall with housing values.

Once housing prices stop falling and stability is seen in the financial system, equity markets should be able to rally in a sustained manner. How should investors position their portfolios for such an environment?

Four sectors tend to lead the stock market higher when investor confidence returns and an economic recovery is in the offing: financials, consumer discretionary, industrials, and basic materials. Financials were the first stocks to turn negative, peaking in May 2007, more than a year before the stock market's peak in June 2008. Those stocks are also the ones that look poised to achieve some of the biggest gains once the market recovers. Canadian consumer discretionary stocks have declined 48% since their peak in July 2007. Once consumer confidence returns, these stocks should also rebound quickly given their low valuations. The industrial sector also tends to lead market recoveries as that sector's transportation stocks are generally economically sensitive. Finally, basic materials stocks, such as those of base metals and chemicals producers, rebound even before global demand returns.

Whether or not the March 9 market lows were the long-sought "bottom," we believe the beginning of a sustainable market rally should transpire in the coming months. As such, in this issue, we highlight Manulife Financial Corp. and Methanex Corp., the stocks of which could be among the front-runners of a rising market.

Confidence Needs A Boost



Source: Bloomberg

SUNIL BHARDWAJ, MBA, CFA
Private Client Investing

Capital Trust Securities Q&A

Financial institutions have been issuing Capital Trust Securities (CTS) recently, prompting some questions by investors. CTS are investment grade debt instruments that currently offer attractive returns while still providing the stability common to bonds.

How Are They Structured – Why 99 Years?

Capital Trusts are structured as wholly owned trusts of the issuing financial institution. The trust holds an income-generating asset, such as a bank deposit note, which provides the funds to make coupon and principal payments to CTS holders.

Regulators require financial institutions to maintain specific levels of capital to provide depositors with protection against unexpected losses. The recent credit crunch has motivated many financial institutions to raise their capital ratios to satisfy regulators and investors alike, resulting in the issuance of new preferred and common shares, and CTS. To qualify as Tier 1 Capital, CTS must have 99 years to maturity, although their structure makes early redemption likely (more on that later).

CaTS, BaTS, BOaTS, CoaTS, TruCS, MaCS, SLEECs

The CTS available in Canada are named TD CaTS, BNS BaTS, BMO BOaTS, CIBC CoaTS, RBC TruCS, Manulife MaCS, Sun Life SLEECs, Great West GreaTS and Canada Life CliCS. While somewhat fun just to rhyme off, the significance of the names is that they all contain the letters “TS,” which stands for Trust Securities, or “CS,” which stands for Capital Securities.

Why Are CTS Yields So High?

When investors see investment grade debt that yields 8% and higher, it gets their attention. Some may wonder why securities issued by high-quality financial institutions would have such high yields. There are five primary reasons. Firstly, credit risk is a concern when holding these products since senior bonds have priority in the case of liquidation or asset distribution. For this reason, the credit rating for these products is lower than that for similar deposit notes. Secondly, extension risk is the risk that the CTS will remain outstanding longer than the anticipated redemption date. Moreover, in cases where the regulator deems the issuer to be financially distressed, CTS could be converted into perpetual preferred shares. Thirdly, interest is a pre-tax expense, making it more tax-efficient than dividends for the issuer. Yet for the investor, interest is taxed at a higher rate than are dividends; hence, the higher CTS yields help make their yields similar to those on preferred shares on an after-tax basis.

Examples Of Tier 1 Capital Trust Securities

Issue	DBRS Rating	Yield To Call
RBC Capital Trust 6.821% 6/30/07-18	A (High)	8.10%
TD Capital Trust III 7.243% 12/31/07-18	A (High)	8.21%
BMO Capital Trust II 10.221% 12/31/07-18	A (High)	8.52%
TD Capital Trust IV 9.523% 6/30/08-19	A (High)	8.23%

Source: Bloomberg as of March 25, 2009

Fourthly, when trying to raise capital, issuers want to be sure that the deal is well received by the marketplace and that they are able to raise all the capital they require. The coupon rates on the last three CTS issues were all over 9.5% and all three issues were highly demanded.

Finally, the high yields are also a result of the ongoing credit crunch that has lifted the cost of borrowing. Some of the first CTS, which were issued back in 2000, offered yields that were about 150 basis points (bps) higher than that of a comparable Government of Canada (GoC) bond. The three most recent issues provide yield spreads of more than 650 bps.

What If Interest Rates Rise?

Interest rate risk is the risk that rising interest rates cause bond prices to fall. However, bond market yields would be expected to rise only as the economy recovers and inflation starts to creep higher. With the economy improving, it would be expected that yield spreads would start to narrow as the risk of default declines. Thus, there would then be two competing forces: rising government bond yields and tightening yield spreads. Yield spreads have increased much more than government bond yields have decreased during the crisis so if conditions revert to “normal,” CTS prices could remain stable or even increase.

Where Do They Rank?

CTS are junior subordinated debt instruments which rank lower than senior debt. In situations of financial distress, all CTS are exchangeable into non-cumulative preferred shares at the issuer’s option. Therefore, they rank pari passu (equal) with preferred shares from a financial weakness/bankruptcy perspective. However, in terms of distributions, CTS have a “Dividend Stopper Undertaking” feature that prohibits the payment of any preferred or common share dividends if an interest payment owed to CTS holders is missed. Thus, from a distribution perspective, they rank ahead of preferred and common shares.

Will They Be Redeemed Early?

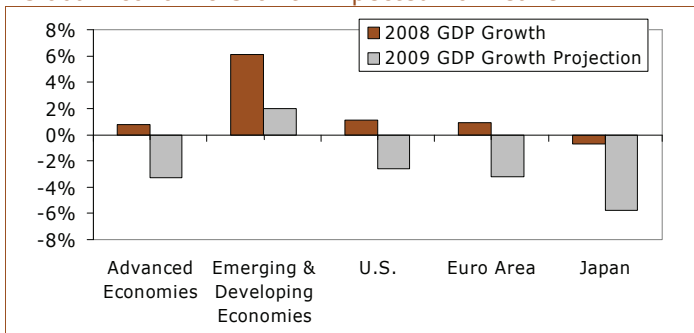
There are two compelling reasons why CTS are likely to be redeemed at their initial redemption dates, which are usually 10 to 30 years after their issuance dates. First, some of the older CTS give investors the right to exchange their holdings into preferred shares that in turn can be exchanged at principal value for common shares at a discount, which most issuers would prefer to avoid. As for the more recently issued CTS, if not redeemed, their coupon rates will reset to a specified Bankers Acceptance rate or GoC bond yield plus a very large spread. Second, issuers may face reputational risk, as investors purchased these products under the assumption that they would be redeemed early and that the 99 year final maturities were only there to satisfy regulatory requirements. If the issuer fails to redeem them early, they may have a difficult time raising capital using similar instruments in the future.

KORY BREWSTER, DMS
Director, Fixed Income & Currencies

Crude Behaviour

After steadily rising since 2001 and rocketing to a record high of US\$147 per barrel (/Bbl) in July 2008, crude oil prices plummeted to US\$50.57/Bbl to close out 2008. The Organization of Petroleum Exporting Countries (OPEC) made a concerted effort to cut production in an attempt to keep prices buoyant. But in the face of one of the deepest global economic recessions ever, its efforts had little initial impact, as the price of West Texas Intermediate (WTI) crude dipped below US\$37/Bbl earlier this year. The weak economic outlook led the usually conservative International Monetary Fund (IMF) to forecast the global economy to contract as much as 1% in 2009. And in its 2009 *World Economic Outlook Update*, the IMF forecasted negative growth in the U.S., which remains the world's largest oil consumer. Single-digit growth is now expected for China, a far cry from the double-digit numbers the country has been accustomed to in recent years.

Global Economic Growth Expected To Weaken



Source: International Monetary Fund

But with all the doom and gloom, why have oil prices recently rallied and why might they go higher? For one, the leverage and speculation that helped drive oil prices to historical highs also helped them plummet at a breakneck speed. When markets started turning south, hedge funds and other speculators were faced with margin calls, leading to a mass exodus from commodity positions, which had become the go-to trade for those looking to make a quick buck. Much of this “unwinding,” as it is known, has passed and crude prices no longer face the excessive downward pressure.

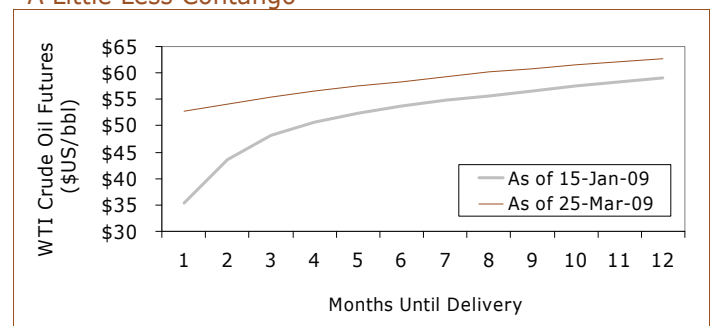
Secondly, although deflation remains the theme today, inflation will likely become an issue down the road as a result of the U.S. government's and central bank's efforts to stimulate the economy. Commodities, and oil in particular, would be beneficiaries in this scenario, as they are priced in what would be a weaker U.S. dollar. While academic theory argues that in times of shortages we discover new supplies, establish more proficient ways of using oil, or implement substitutes, there have been few sizable new discoveries. And at the end of the day, oil remains a finite resource, but the number of users continues to grow.

Contango And Cash

Investors who do not want to buy physical oil, or participate in the complicated futures market, are looking to exchange-traded funds (ETFs) as a way to invest in oil. However, investors should

understand that oil ETFs use futures contracts to replicate oil price movements, which can cause them to perform differently than the spot (or cash) price of oil. At the moment, prices for oil to be delivered in the future are higher than the spot price, a condition known as “contango.” Thus, if the oil spot price remains flat, the price for the futures contract will fall close to the spot price as the delivery date approaches. Thus, even though the spot price doesn't fall, the ETF's value does. For the ETF to make a profit, the spot price must not only rise, but it must rise above the price at which the futures contract was purchased. Even still, oil ETFs will likely always underperform the spot price when the futures market is in contango. Since January, the contango has eased somewhat, which should mitigate some of the ETFs' underperformance relative to the spot price.

A Little Less Contango



Source: Bloomberg

Oil ETFs

- 1) **Horizon BetaPro Crude Oil Bull (HOU):** At the moment, HOU is the only ETF on the Toronto Stock Exchange that tracks the price of oil. This ETF provides investors with double the daily returns of oil. But because of the impact of compounding, the ETF's return can differ significantly from double the return of the commodity over any period longer than a day. Nevertheless, we believe this could be a good way to play oil prices over the short term, but caution investors to understand the complexities behind leveraged ETFs first.
- 2) **The United States Oil Fund (USO):** This ETF offers an unleveraged way to place a bet on oil. Because it is unleveraged, its returns will not be subject to compounding effects.
- 3) **The United States 12-Month Oil Fund (USL):** Similar to its sister product, USO, this ETF also tracks the unleveraged changes in oil. However, rather than tracking just the near-month contract it also includes the contracts for the following 11 months. By doing so, it aims to reduce the effects of contango.

Commodity ETFs carry some complexities that should be understood before an investment is made. However, for those who believe we may be entering a reflationary environment in which capacity reductions have gone too far, oil ETFs may have a place in one's portfolio.

ALFRED LEE, CFA
Exchange-Traded Funds & Mutual Funds Specialist

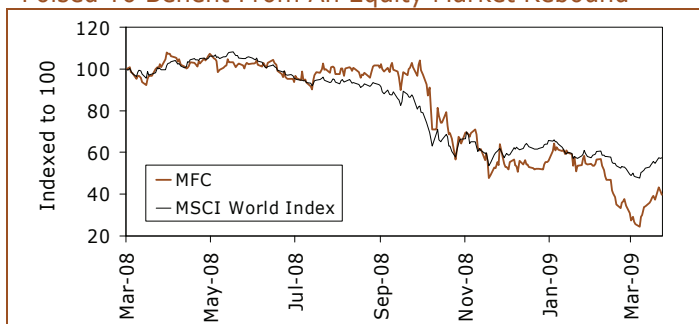
Canadian Equities

Manulife Financial Corp. (MFC, \$14.88, Sector Outperformer, Price Target: \$25.00)

In the January issue of our *Monthly World Markets Report*, we highlighted Manulife Financial Corp., noting that just as its exposure to equity markets had led to a decline in its share price, rebounding equity markets should result in a recovery. Unfortunately, its share price has slid further as global stock markets have fallen year to date.

The primary concern surrounds Manulife's variable annuities, which are equity-related products that guarantee customers will receive fixed annual income streams, even if stock markets fall. Although many of these products do not begin to mature for five to seven years, leaving considerable time for markets to recover, Manulife must set aside reserves to cover any potential shortfall between the value of the guarantees and the assets it has invested to cover the guarantees. Setting aside such reserves hurts the company's earnings and lowers its capital ratios, which must stay above predetermined levels. As of March 12, when global stock markets were more than 10% below current levels, CIBC World Markets Inc. analyst Darko Mihelic estimated that Manulife's capital ratios were still at the upper end of the company's target range.

Poised To Benefit From An Equity Market Rebound



Source: Bloomberg

Mr. Mihelic believes, however, that Manulife could take steps to boost its capital ratios if markets were to decline significantly below their recent lows; such measures could include a dividend cut. Even if the company decided to issue additional shares to shore up its capital position – a worst-case scenario in Mr. Mihelic's view – he believes Manulife could still earn \$2.18 per share on a normalized basis, leaving its shares trading at an attractive 6.8x. If equity markets recover, the insurer's stock could look even more compelling.

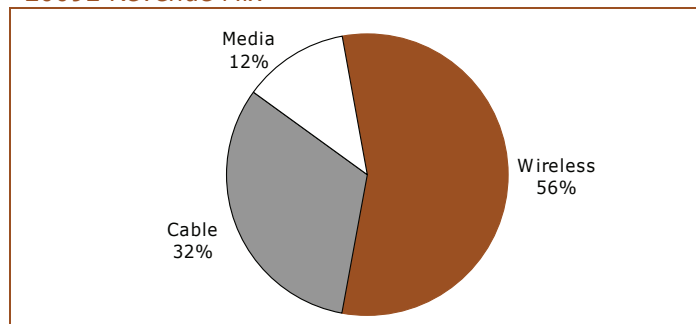
While the recent rebound in equity markets has already provided a lift to Manulife's shares, if markets continue to rise, its stock could still be one of the biggest beneficiaries yet. Mr. Mihelic rates Manulife Sector Outperformer.

Rogers Communications Inc. (RCI.B, \$30.45, Sector Outperformer, Price Target: \$40.00)

CIBC World Markets Inc. analyst Robert Bek believes the recent equity markets weakness has presented an attractive opportunity to acquire shares of Rogers Communications Inc., a company that is expected to increase earnings over the next couple years and that continues to grow its dividend.

Rogers has three key divisions: wireless, cable and media. As Canada's largest wireless carrier, its service area reaches 94% of the country's population. At the end of 2008, Rogers had 7.9 million wireless subscribers and of its 2008 revenues, 54% was derived from the wireless segment. Mr. Bek expects this number to grow to 56% of revenues in 2009, which should bode well for the company's bottom line given the wireless segment has the highest operating margins among the three divisions. Mr. Bek believes that the adoption of higher-revenue-generating smartphones and related applications, such as data usage, will be a driver of earnings growth.

2009E Revenue Mix



Source: CIBC World Markets Inc.

Rogers is also Canada's largest cable provider with 2.3 million cable and 1.6 million high-speed Internet subscribers. The cable division comprised 33% of 2008 revenues. Thanks to robust expected digital cable subscriber growth, earnings before interest, taxes, depreciation and amortization (EBITDA) in this division is expected to grow 8.1% in 2009. Rogers Media owns and operates 52 radio stations, television networks, the Toronto Blue Jays baseball club and Rogers Center event venue. Earnings from this segment may decline on the back of weaker advertising revenues in 2009 but this segment is relatively small, accounting for 13% of sales in 2008. Overall, Mr. Bek forecasts that Rogers will grow EBITDA 7.6% in 2009 and 8.3% in 2010.

While Rogers has historically been focused on growth, the company has been boosting its dividend in recent years. Despite the economic turmoil, Rogers raised its dividend 16% in February to an annualized rate of \$1.16 per share, providing a current yield of 3.8%. Over the past five years, it has grown its dividend 83.5%.

Company Name	Symbol	Stock Rating	Sector Weighting	Price 25-Mar-09	Price Target	Earnings Per Share (EPS)			P/E 2009E	Indicated Dividend	
						2008A	2009E	2010E		Rate	Yield
Manulife Financial Corp.	MFC	SO	M	\$14.88	\$25.00	\$0.33	\$0.18	N/A	82.7	\$1.04	7.0%
Rogers Communications Inc.	RCI.B	SO	M	\$30.45	\$40.00	\$1.98	\$2.15	\$2.51	14.2	\$1.16	3.8%

A – Actual for the fiscal year; E – Estimate for the fiscal year; N/A – Not available. For a description of the CIBC World Markets Research Rating System, see page 8.

Methanex Corp. (MEOH-NASDAQ, US\$7.73, Sector Outperformer, Price Target: US\$12.00)

For investors with a longer-term perspective, the sell-off in shares of resource and chemical companies over the past year may have created a great opportunity to invest in high-quality companies that can weather the downturn. CIBC World Markets Inc. analyst Jacob Bout upgraded Methanex Corp. (on February 9, at a share price of US\$6.13) based on the view that the company has a strong balance sheet, is trading well below the replacement cost of its assets, and has an attractive dividend that is not expected to be cut.

Methanex is the world's largest producer and marketer of methanol, which is conventionally used to make formaldehyde, acetic acid, recyclable plastic bottles and silicones. The company has a strong balance sheet with over US\$328 million of cash at the end of 2008 and an undrawn credit facility of US\$250 million. None of the company's long-term debt is due prior to 2012. Despite this solid financial position, Methanex shares have fallen amid the economic downturn and are trading at attractive valuations.

One way to value chemical companies is to consider their replacement cost, or the cost it would take to build all of the company's facilities today, as a company's enterprise value should not fall far below this level. Methanex recently built its Egyptian methanol plant for a cost of US\$600 per tonne of capacity. Applying this cost metric to all of the company's plants (which include facilities in Chile and Trinidad) and subtracting the company's net debt, one arrives at a replacement cost of US\$24.28 per share.

A Closer Look At Methanex's Replacement Value

Facility	Capacity - Net To Methanex (kilotonnes per year)	Replacement Value Per Share
Chile	1,935	\$12.52
Titan	850	\$5.50
Atlas	677	\$4.38
Egypt	780	\$5.05
Total	4,242	\$27.46
Minus Net Debt Per Share		\$3.18
Net Replacement Value		\$24.28

Source: CIBC World Markets Inc.

Using a more traditional discounted cash flow approach, at current average pricing of US\$211 per tonne of methanol and a discount rate of 10%, Mr. Bout calculates a value of US\$11.55 per share, still well above where the shares currently trade.

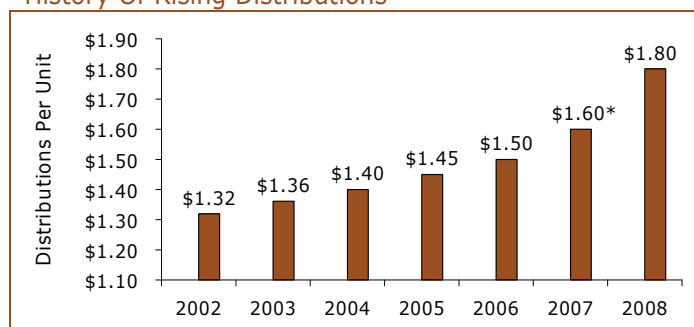
Admittedly, methanol prices, which are highly correlated with oil prices, are expected to remain soft in 2009. However, Mr. Bout expects that Methanex's cash flow per share will surge 132% to US\$3.52 in 2010 as more capacity is brought online and demand for emerging uses, such as fuel blending, increases. Yield-oriented investors should also note that Methanex currently sports an 8% dividend yield, which Mr. Bout believes is safe.

Davis + Henderson Income Fund (DHF.UN, \$12.84, Sector Outperformer, Price Target: \$16.50)

Investors seeking a more defensive name may want to consider Davis + Henderson Income Fund. This cash cow has little in the way of debt, an attractive yield and a reasonable valuation.

Founded in 1875, Davis + Henderson is the chief supplier of cheques and chequing account-related services to Canada's leading financial institutions. This core segment comprises roughly 80% of its earnings before interest, taxes, depreciation and amortization (EBITDA) and management notes that it has historically remained relatively stable during economic slowdowns. CIBC World Markets Inc. analyst Paul Holden believes Davis + Henderson will be able to post solid results in 2009 despite the current environment, as he anticipates a slight decrease in cheque order volumes will largely be offset by cost reductions. Davis + Henderson's Filogix division, which provides transaction processing technology for lending and mortgage services, generates the remaining EBITDA.

History Of Rising Distributions



*Excludes special distribution of \$0.20. Source: Company reports and CIBC World Markets Inc.

The fund has a strong record of cash flow generation. Davis + Henderson's cash flow per unit (CFPU), after all capital expenditures, has grown at a compound annual rate of 9.2% since 2002. It has also hiked its distribution 11 times since going public in 2001 and its 2009E payout ratio is 80%, providing the distribution with a reasonable cushion.

Perhaps more important in light of current credit market conditions, Davis + Henderson is conservatively capitalized, with a net debt to 2009E EBITDA multiple of 1.1x, and has limited near-term refinancing risk with no debt maturities in 2009. In addition, its units trade at an enterprise value to 2009E EBITDA multiple of 6.0x, which is at the lower end of its historical range.

Conservative investors will likely find Davis + Henderson's defensive attributes, solid cash flow, robust balance sheet and 14.3% yield highly appealing.

SUNIL BHARDWAJ, MBA, CFA, YOGESH OZA, MA, CFA
& SANDI ROSSI, CFA
Private Client Investing

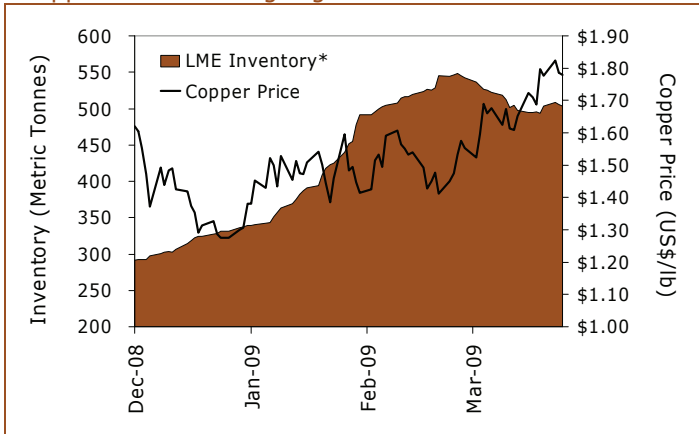
Company Name	Symbol	Stock Rating	Sector Weighting	Price 25-Mar-09	Price Target	Cash Flow Per Share (CFPS)			P/CFPS 2009E	Indicated Dividend	
						2008A	2009E	2010E		Rate	Yield
Methanex Corp.	MEOH	SO	M	US\$7.73 ^a	US\$12.00	US\$2.52	US\$1.52	US\$3.52	5.1	US\$0.62	8.0%
Davis + Henderson Income Fund	DHF.UN	SO	M	\$12.84	\$16.50	\$2.62 ^b	\$2.49 ^b	\$2.66 ^b	5.2 ^b	\$1.84 ^b	14.3%

A - Actual for the fiscal year; E - Estimate for the fiscal year; a - Methanex also trades on the Toronto Stock Exchange under ticker symbol MX; b - Operating cash flow per unit (OCFPU), P/OCFPU and indicated distribution displayed in lieu of cash flow per share (CFPS), P/CFPS and indicated dividend, respectively. For a description of the CIBC World Markets Research Rating System, see page 8.

Charting Trends

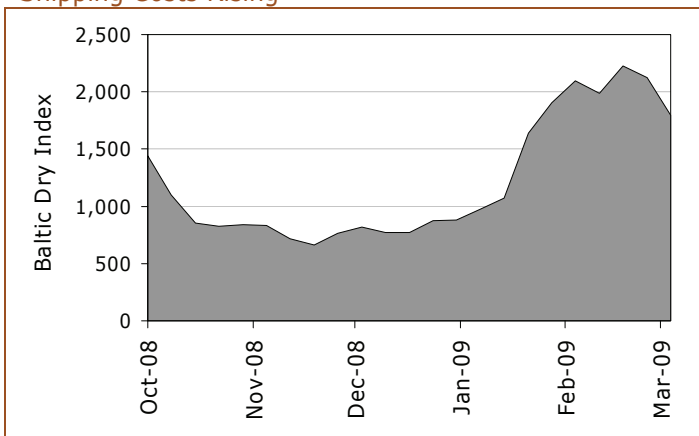
It is often said that a picture is worth a thousand words. We agree. In this section we examine a few interesting charts in order to better understand market dynamics and uncover some investing ideas. It is important to remember, however, that historical relationships or patterns may not always repeat themselves in the future.

Copper Prices Moving Higher



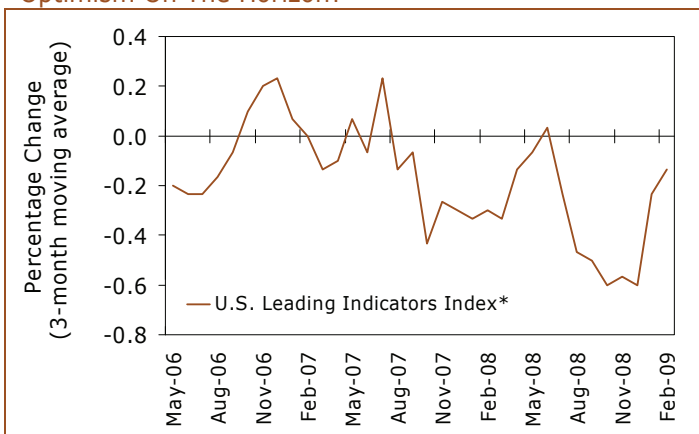
*London Metal Exchange copper inventory. Source: Bloomberg

Shipping Costs Rising



Source: Bloomberg

Optimism On The Horizon?



*U.S. Conference Board Leading Economic Indicators Index. Source: Bloomberg

Clouds Are Lifting?

The past year has been a tumultuous one for investors and if one pays any attention to the grim headline news, it may be difficult to see any light at the end of the investing tunnel. However, many of the economic woes seen in the newspaper (such as the rising unemployment rate) are considered lagging indicators – i.e., they do not help gauge the future direction of the economy. Instead, since stock markets are always forward-looking, investors should focus on leading indicators which can help investors stay ahead of the curve.

One popular indicator is the price of copper, which is sensitive to economic conditions. The value of the metal, which is used in the plumbing and electrical wiring of homes, offices, etc., tends to rise in the early stages of a pick-up in economic activity. Judging by the upward-trending price of copper since the beginning of 2009 and the more recent decline in inventory levels, global growth may no longer be in the unending free-fall that is implied in some stock prices.

The Baltic Dry Index's recent trend also suggests that the global economy might be on the mend. The index, which measures shipping costs for commodities such as coal, iron ore, and grains, has soared almost threefold since late 2008, after it plunged 94% from its high last summer.

There is also the U.S. Conference Board Leading Economic Indicators Index, which tracks items such as average weekly hours worked, manufacturers' new orders, and money supply. This index, which was created to help forecast economic activity six to nine months in advance, is showing signs of improvement.

Although the above indicators are signalling that economic growth may be around the corner, one could argue that the indices are simply bouncing off unsustainably low levels. U.S. consumer confidence and the housing market have not yet stabilized and credit availability is still an issue around the world. An encouraging aspect surrounding the liquidity crunch, however, is that global central banks are implementing aggressive policies to stimulate lending and, in turn, economic activity. Overall, investors should sit up and take notice when several key leading indicators begin to improve in unison.

Just as one should not drive a car looking through the rear-view mirror, investors should not spend too much time looking at economic data that tells us what has already happened. Instead, attention should be directed to leading economic indicators, as they will provide guidance as to what lies ahead for the markets. And at this juncture, it appears that the economy is, at the very least, stabilizing.

DONATO SCOLAMIERO, CFA
Private Client Investing

CIBC Economics Department Interest Rate Outlook

Interest Rates (%) – End of Qtr		25-Mar-09	Sep/09	Dec/09
3-month T-Bill	Canada	0.39	0.30	0.35
	U.S.	0.18	0.30	0.30
10-year Gov't Bond Yield	Canada	2.96	2.90	3.00
	U.S.	2.78	3.15	3.25
US¢/C\$		81.2	80.0	84.7

Source: CIBC World Markets Inc.

CIBC World Markets Economic Outlook

Economic Outlook		2008F	2009F	2010F
Real GDP Growth (% Chg)	Canada	0.5	-2.3	2.0
	U.S.	1.1	-2.5	2.1
Consumer Price Index (% Chg)	Canada	2.4	0.6	3.3
	U.S.	3.8	-0.2	4.2

Source: CIBC World Markets Inc.

Disclosures And Disclaimers

Companies Mentioned in this Report that Are Covered by CIBC World Markets:

Bank of Montreal (2a, 2c, 2e, 2g, 3a, 3c, 6c, 7) (BMO-TSX, C\$33.29, Sector Outperformer)
 Davis + Henderson Income Fund (2g, 7) (DHF.UN-TSX, C\$12.84, Sector Outperformer)
 Manulife Financial Corporation (2a, 2c, 2e, 2g, 3a, 3c, 7) (MFC-TSX, C\$14.88, Sector Outperformer)
 Methanex Corporation (2g, 3a, 3c) (MEOH-NASDAQ, US\$7.73, Sector Outperformer)
 Rogers Communications Inc. (2g, 3a, 3c, 7, 13) (RCI.B-TSX, C\$30.45, Sector Outperformer)
 Royal Bank of Canada (2a, 2c, 2e, 3a, 3c, 6c, 7) (RY-TSX, C\$36.82, Sector Performer)
 TD Bank (2a, 2c, 2e, 3a, 3c, 7) (TD-TSX, C\$43.85, Sector Performer)

Key to Important Disclosure Footnotes:

- 1 CIBC World Markets Corp. makes a market in the securities of this company.
- 2a This company is a client for which a CIBC World Markets company has performed investment banking services in the past 12 months.
- 2b CIBC World Markets Corp. has managed or co-managed a public offering of securities for this company in the past 12 months.
- 2c CIBC World Markets Inc. has managed or co-managed a public offering of securities for this company in the past 12 months.
- 2d CIBC World Markets Corp. has received compensation for investment banking services from this company in the past 12 months.
- 2e CIBC World Markets Inc. has received compensation for investment banking services from this company in the past 12 months.
- 2f CIBC World Markets Corp. expects to receive or intends to seek compensation for investment banking services from this company in the next 3 months.
- 2g CIBC World Markets Inc. expects to receive or intends to seek compensation for investment banking services from this company in the next 3 months.
- 3a This company is a client for which a CIBC World Markets company has performed non-investment banking, securities-related services in the past 12 months.
- 3b CIBC World Markets Corp. has received compensation for non-investment banking, securities-related services from this company in the past 12 months.
- 3c CIBC World Markets Inc. has received compensation for non-investment banking, securities-related services from this company in the past 12 months.
- 4a This company is a client for which a CIBC World Markets company has performed non-investment banking, non-securities-related services in the past 12 months.
- 4b CIBC World Markets Corp. has received compensation for non-investment banking, non-securities-related services from this company in the past 12 months.
- 4c CIBC World Markets Inc. has received compensation for non-investment banking, non-securities-related services from this company in the past 12 months.
- 5a The CIBC World Markets Corp. analyst(s) who covers this company also has a long position in its common equity securities.
- 5b A member of the household of a CIBC World Markets Corp. research analyst who covers this company has a long position in the common equity securities of this company.
- 6a The CIBC World Markets Inc. fundamental analyst(s) who covers this company also has a long position in its common equity securities.
- 6b A member of the household of a CIBC World Markets Inc. fundamental research analyst who covers this company has a long position in the common equity securities of this company.
- 6c One or more members of Private Client Investing who was involved in the preparation of this report, and/or a member of their household(s), has a long position in the common equity securities of this company.
- 7 CIBC World Markets Corp., CIBC World Markets Inc., and their affiliates, in the aggregate, beneficially own 1% or more of a class of equity securities issued by this company.
- 8 A partner, director or officer of CIBC World Markets Inc. or any analyst involved in the preparation of this research report has provided services to this company for remuneration in the past 12 months.
- 9 A senior executive member or director of Canadian Imperial Bank of Commerce ("CIBC"), the parent company to CIBC World Markets Inc. and CIBC World Markets Corp., or a member of his/her household is an officer, director or advisory board member of this company or one of its subsidiaries.
- 10 Canadian Imperial Bank of Commerce ("CIBC"), the parent company to CIBC World Markets Inc. and CIBC World Markets Corp., has a significant credit relationship with this company.
- 11 The equity securities of this company are restricted voting shares.
- 12 The equity securities of this company are subordinate voting shares.
- 13 The equity securities of this company are non-voting shares.
- 14 The equity securities of this company are limited voting shares.

CIBC World Markets Research Rating System

Abbreviation	Rating	Description
Stock Ratings		
SO	Sector Outperformer	Stock is expected to outperform the sector during the next 12-18 months.
SP	Sector Performer	Stock is expected to perform in line with the sector during the next 12-18 months.
SU	Sector Underperformer	Stock is expected to underperform the sector during the next 12-18 months.
NR	Not Rated	CIBC does not maintain an investment recommendation on the stock.
R	Restricted	CIBC World Markets is restricted*** from rating the stock.
Sector Weightings**		
O	Overweight	Sector is expected to outperform the broader market averages.
M	Market Weight	Sector is expected to equal the performance of the broader market averages.
U	Underweight	Sector is expected to underperform the broader market averages.
NA	None	Sector rating is not applicable.

**Broader market averages refer to the S&P 500 in the U.S. and the S&P/TSX Composite in Canada.

"Speculative" indicates that an investment in this security involves a high amount of risk due to volatility and/or liquidity issues.

***Restricted due to a potential conflict of interest.

"CC" indicates Commencement of Coverage. The analyst named started covering the security on the date specified.

This report is issued and approved for distribution by (i) in Canada, CIBC World Markets Inc., a member of the Investment Industry Regulatory Organization of Canada, 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 the 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, if any, as a substitution for the exercise of 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, but CIBC World Markets does not represent that any 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), and 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 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 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.

© 2009 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.