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Monthly World Markets Report



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Inside This Issue

- 2 Invest For Your Retirement Today
- 3 Rebirth Of The BRICs
- 4 **Canadian Equities:**
Talisman Energy Inc.
Agrium Inc.
- 5 **A Nice Set Of Pipes:**
Inter Pipeline Income Fund, L.P.
TransCanada Corp.
- 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

Boring Singles Can Win The Game

In mid-May baseball season was in full swing and Canadians were enjoying seeing their only major league team at the top of the standings. Then the Blue Jays' bats cooled and the team went into a late-month slide. When homerun hitters enter an inevitable slump, they often continue swinging for the fences, resulting in more strikeouts than hits. It is wiser, however, to take a more conservative approach in such periods, aiming for singles until one's hitting groove returns.

In the investing world, March through May of this year was analogous to a hitter's hot streak. In some sectors, homeruns were easy to come by. In fact, since the lows in March, the share prices of 14 stocks in the S&P/TSX Composite Index have more than doubled, while another 54 have risen at least 50%. As is common at the bottom of a bear market, sentiment shifted quickly from extreme pessimism to hopeful optimism, resulting in high-powered returns in cyclical sectors, such as base metals.

Also among the biggest gainers were shares of companies that had appeared to be near death due to heavily indebted balance sheets. When investors start to see light at the end of the tunnel, it is the highly levered companies that recover the fastest. Shares of Teck Resources Ltd. and Precision Drilling Trust – both of which were weighed down by expensive acquisitions – are clear examples, as they have rallied 329% and 123%, respectively.

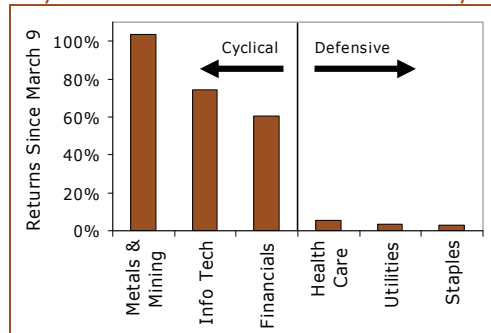
Investors hoping for similar gains in the months ahead, however, may be setting themselves up for disappointment. Trying to repeat those eye-popping gains by betting on high-risk plays could lead to more strikeouts than one can stomach. Instead, after a 36% rise in the stock market, it may be a time to return to the safe and steady approach of aiming for singles. While this approach is not as exciting as swinging for the fences, it can still help one win the game – and generally with much less volatility.

In that vein, this issue of *Monthly World Markets Report* highlights companies that, regardless of the near-term vagaries of the market, should benefit from long-term trends. Investors looking for steady cash flow with the potential for growth could consider energy infrastructure companies such as TransCanada Corp. and Inter Pipeline Fund. With much of their revenues based on long-term contracts, they are not as exposed to the volatility in the prices of oil and gas, which their pipelines transport.

Another important long-term trend that should return to focus – now that widespread pessimism is starting to lift – is the global need for higher crop yields. As economic growth in emerging markets comes back on track, the demand for fertilizers should regain its upward trend. Agrium Inc. produces and markets all three major agricultural nutrients. In the energy patch, Talisman Energy Inc. shares appear to be a solid long-term play given their attractive relative valuation and the new focused strategy undertaken by management.

Having seen stocks jump sharply after a difficult bear market may drive investors to look for quick and easy ways to regain some of their previous losses. At this stage, however, such investors will have to accept a number of strikeouts with each homerun. Instead, now may be time to return to the prudent strategy of aiming for consistent and reliable singles.

Cyclicals Drove The Market Recovery



Source: Bloomberg

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 May 26, 2009.

SUNIL BHARDWAJ, MBA, CFA
Private Client Investing

Invest For Your Retirement Today

Many investors only think about their Registered Retirement Savings Plans (RRSPs) during the first two months of the year. Unfortunately, waiting until next RRSP season to make a contribution underutilizes the benefits of tax-free compounding that registered accounts allow. Compounding is the phenomenon of earning interest on interest. Over time, this has a “snowballing” effect on future returns. When it comes to tax-free compounding, stripped bonds, also known as “strips,” are an ideal choice, as they provide a predetermined maturity date (call features may apply), have little reinvestment risk, and can be combined in a variety of ways to meet the specific needs of investors.

What Are Strips?

Strips are created when an investment dealer separates the coupons from the principal of a high-quality bond. Each of the individual coupons and the remaining principal may then be sold independently as strips. Stripped bonds do not make periodic interest payments. Instead, they are sold at a discount to their par value and compound to their maturity date. The purchaser of a strip knows the future value of the investment, so the rate of return to maturity is also predetermined. As there are no periodic interest payments, strips have little re-investment risk, which is the risk that prevailing market yields at the time coupon payments are received (or when a bond is called) are lower than at the time of initial purchase. With coupon-paying bonds, if intermediary cash flows are re-invested at yields inferior to the initial yield to maturity, the investor will not realize the anticipated return.

CARS & PARS Program – Access To More Issuers

Traditionally, only Government of Canada bonds, municipal bonds, government agency bonds, provincial bonds and a very limited selection of corporate bonds could be “stripped.” This changed in the spring of 2003 when the CARS (coupons and residuals) & PARS (par adjusted rate securities) program was introduced to Canadian investors. The program’s main purpose was to offer individual investors greater access to a variety of corporate issuers in the form of strips and coupon packages designed for non-taxable accounts.

Under this program an investment dealer will take an existing high coupon (10%, for example) investment grade corporate bond that is trading above par (\$100), and separate it into two types of separately tradable securities: a “new” bond with a lower coupon (say 4%) priced close to par (\$100) and a series of stripped coupons.

Long-dated stripped bonds offer investors years of tax-free compounding in their registered accounts (tax consequences make strips less desirable outside registered accounts). The CARS & PARS program allows investors to achieve diversification across a variety of government and corporate issuers.

Retirement Savings And Escalating Packages

Retirement savings packages are constructed using a basket of stripped bonds to provide investors with a pre-determined

coupon cash flow (like a regular bond) and a provincially guaranteed principal repayment at maturity. In addition, the cash flow does not begin until a pre-determined start date that may be selected to correspond with an investor’s income or retirement needs. These packages typically pay on a semi-annual basis once the cash flow commences.

For example, with the Province of British Columbia 9.00% August 23, 2016-2024 package, no cash flow is paid from the date of purchase to August 23, 2016: this is referred to as the compound period. Beginning August 23, 2016, the package starts to pay an income stream of 9.00%, payable semi-annually, until the maturity date of August 23, 2024.

Retirement escalating interest payment packages are exactly the same, except the cash flows increase over time. This is ideal for investors whose expenses might grow with time.

Various Stripped Bond Products

Issue	DBRS Rating	Price	Semi-annual yield	Annual yield
Investors Group coupon 09-Nov-2015	AH	\$69.73	5.68%	5.76%
Bank of Montreal residual 28-Mar-2018	AAL	\$60.49	5.78%	5.86%
Nova Scotia Power coupon 26-Feb-2031	AL	\$27.55	6.02%	6.11%
Quebec Package 9% 1-Apr-2019 to 1-Apr-2026	AH	\$67.71	6.00%	6.09%
Ontario Package 7%-11.5% 2-Dec-2016 to 2-Jun-2026	AA	\$81.97	5.61%	5.69%

Source: Bloomberg as of May 26, 2009

Fixed Income And Equity United

Investors can create principal-protected vehicles with equity exposure by combining Government of Canada (GoC) strips with an exchange-traded fund (ETF). To do this, an investor would purchase a series of GoC stripped bonds with maturities from one to five years, and a total maturity value equal to the total amount invested in the bonds and ETFs combined, guaranteeing the return of principal. As strips trade at a discount to their maturity value, the difference between the strips’ combined maturity value and their purchase price could be invested into an equity vehicle such as an ETF. Each year, when a coupon matures, an equivalent face value five-year GoC strip is purchased with the proceeds, and the remaining cash is used to buy more of the ETF. The ETF component for equity market participation takes the guesswork out of timing the equity market, as purchases are made periodically.

Wise investors know that there is no time like the present when it comes to saving on taxes. Therefore, it is never too early in the year to begin taking advantage of the tax-free compounding and versatility that stripped bonds purchased in a registered account can offer.

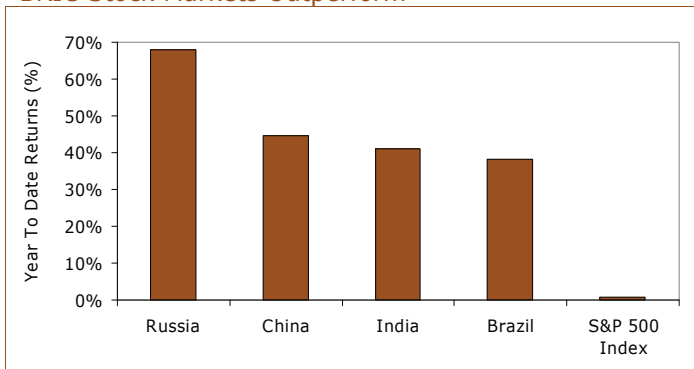
KORY BREWSTER, DMS
Director, Fixed Income & Currencies

Rebirth Of The BRICs

In past economic slowdowns, emerging markets have traditionally been places to avoid as investors sought refuge and fled to quality. A lack of regulation, less stable political systems and unsophisticated markets are some of the drawbacks to investing in developing economies. As a result, when investors become averse to risk, emerging market stock markets experience an exodus of funds. This time around was no different as emerging markets fell relatively faster as global markets tumbled in the fall of 2008. Since then, however, emerging market equities have far outperformed other global markets.

The recent theory that the fortunes of emerging nation economies would no longer depend on growth in developed markets was largely debunked by the subprime crisis that left few, if any, economies unscathed. However, recent economic data suggest that countries such as China may lead us out of the downturn. As a result, stock markets in Brazil, Russia, India and China have all posted impressive returns thus far in 2009.

BRIC Stock Markets Outperform



*All indices in local currency. Source: Bloomberg

Goldman Sachs, which dubbed these four countries the “BRICs” in 2001, predicted that by 2050 their economies, on a combined basis, would eclipse those of what are currently the richest countries in the world. While the road will be long, these countries are experiencing a modern-day industrial revolution that should give them the infrastructure they will need to take them there. Those who argue these manufacturing-based nations are highly dependent on the health of the U.S. consumer have legitimate concerns. Demand from the U.S. and Europe may not be as strong as it was in the recent past, as heavily indebted Americans may need years to strengthen their balance sheets. Personal income levels in the emerging nations, however, are rising to the point where the domestic populations can now consume the very products they once manufactured only for export. And when U.S. consumer demand eventually recovers, the current economic recession may very well be remembered as having been an opportune time to invest in the BRICs, as the stock indices of these countries still sit well below all-time highs set roughly a year and a half ago. Here we highlight some exchange-traded funds (ETFs) that provide investors with exposure to the BRIC economies.

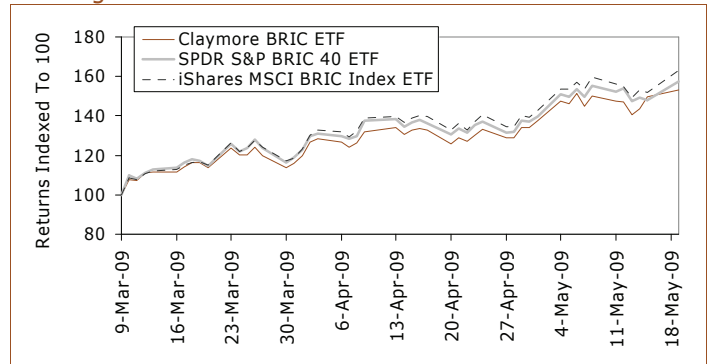
BRIC By BRIC

Claymore BRIC (CBQ-TSX): This ETF tracks the BNY Mellon BRIC Select ADR Index, which is made up of American Depository Receipts (ADRs) and/or Global Depository Receipts (GDRs) of BRIC companies. The index it tracks is constructed using a proprietary screening method that is meant to provide exposure to high-quality, blue-chip companies in these regions. The index had a price-to-earnings ratio (P/E) of 10.9x and a dividend yield of 2.6% as of March 31, 2009. The ETF’s management expense ratio (MER) is 0.60%.

SPDR S&P BRIC 40 (BIK-NYSE): This is a concentrated ETF consisting of only 40 holdings, predominantly in the energy, financials, telecommunications and materials sectors. The index it tracks has a current P/E of 14.1x and a dividend yield of 3.1%; the ETF has an MER of 0.50%.

iShares MSCI BRIC Index Fund (BKF-NYSE): With over 170 holdings, this ETF is the most diversified of the BRIC ETFs. That diversification comes with a higher MER of 0.72%, but that is still significantly cheaper than most actively managed funds. According to Bloomberg, this ETF had a P/E of 12.1x and a dividend yield of 3.0% as of April 30, 2009.

Strong Performance Since Market Rebound



Source: Bloomberg

A Good Entry Point

Emerging economies present challenges given their less-established capital markets and political systems. However, they also offer higher long-term growth rates. Although the emerging nation stock markets have begun a strong rally this year, we believe we are still in the very early stages of a longer-term market recovery and that valuations remain attractive. Additionally, the emerging economies look poised to rebound quicker than some more developed counterparts. As such, we believe now is an opportune time for investors, depending on their risk tolerance, to allocate 5%-10% of their portfolios to emerging markets. With the current pace of industrialization and favourable demographics, we believe the BRICs could be economic powerhouses one day and ETFs offer low-cost exposure to these promising but hard-to-access regions.

ALFRED LEE, CFA

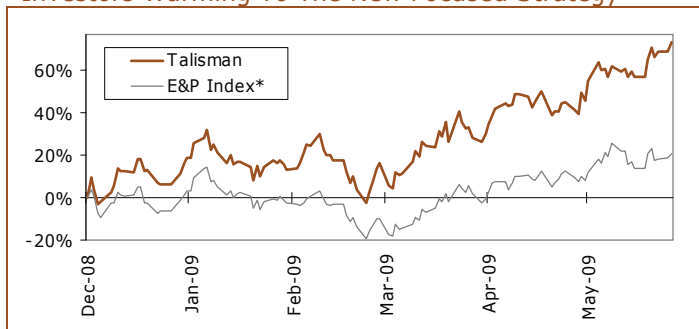
Exchange-Traded Funds & Mutual Funds Specialist

Canadian Equities

Talisman Energy Inc. (TLM, \$17.82, Sector Outperformer) Price Target: \$17.25

When a company over-diversifies its operations it can lead to an undervalued stock price, as evidenced by Talisman Energy Inc. For several years, perhaps due to what some believed was an unfocused corporate strategy, the company's shares traded at a discount to those of its more focused peers. Last year, however, the company initiated a new approach, with a goal of unlocking shareholder value by selling non-strategic assets and focusing on three key areas: North American unconventional natural gas; the North Sea; and Southeast Asia. Most recently, Talisman sold its light oil assets in the Bakken region of Southeastern Saskatchewan for \$720 million. CIBC World Markets Inc. analyst William Lee believes the sale price was attractive at about \$36 per proven barrel of oil equivalent reserves.

Investors Warming To The New Focused Strategy



*S&P/TSX Oil & Gas Exploration and Production Index. Source: Bloomberg

The new focused approach may already be paying off, as Q1/2009 cash flow per share (CFPS) of \$1.29 surpassed consensus expectations of \$1.06, in part due to lower operating costs. Production grew 7% over the prior year to 450 million barrels of oil equivalent per day. Talisman also reported improved results from wells drilled in the Marcellus Shale region, an unconventional natural gas play in the Northeastern U.S. The company continues to improve its understanding of the play, with costs per well declining.

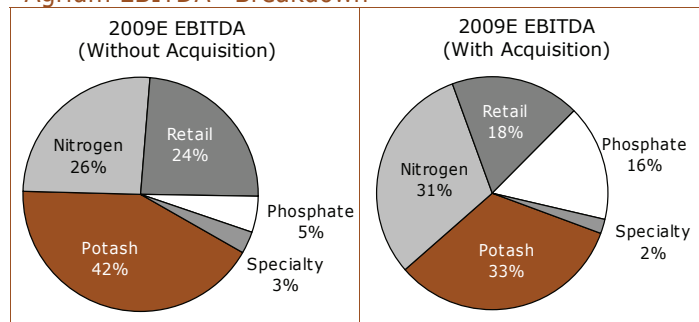
Investors appear to be warming to Talisman's new focused strategy, as its shares have begun to outperform those of its exploration and production peers. Since the beginning of December, Talisman's shares have risen 74%, while an index of Canadian exploration and production companies has only risen 21%. Despite this, Talisman shares still trade at only 5.1x Mr. Lee's 2010 CFPS estimate compared to 5.6x for Canadian Natural Resources Ltd. and 8.0x for EnCana Corp. Mr. Lee's \$17.25 price target is based on per-barrel oil price assumptions for 2009, 2010, and longer term of US\$50, US\$60, and US\$70, respectively.

Agrium Inc. (AGU, C\$57.27, Sector Outperformer) Price Target: US\$65.00 / C\$72.55

A couple of centuries ago renowned scholar Thomas Malthus predicted that the planet's population growth would eventually outstrip its ability to produce food. Today, however, fertilizers from companies such as Agrium Inc. are helping to maximize global crop yields. Agrium is a leading global wholesale producer and marketer of nitrogen, phosphate and potash, and has a significant retail business that sells directly to farmers.

It is true that the financial crisis has negatively impacted the agriculture industry as tight credit and slowing economic growth in emerging countries have led to diminished demand for fertilizers. However, CIBC World Markets Inc. analyst Jacob Bout believes the outlook for the second half of 2009 and 2010 remains robust given strong agricultural fundamentals. He argues that less acreage planted globally, combined with lower nutrient and chemical application in 2009, will likely lead to lower yields and grain production. This could cause further grain inventory draw-downs in the second half of 2009, supporting higher agricultural pricing and nutrient demand in 2010.

Agrium EBITDA* Breakdown



*Earnings before interest, taxes, depreciation and amortization. Source: Company reports and CIBC World Markets Inc.

In February, Agrium offered to purchase CF Industries Inc., which has two nitrogen plants, a phosphate facility and an extensive distribution network. As we went to press, CF management had, thus far, rejected Agrium's proposals. Agrium is appealing to CF shareholders to consider the bid, but Mr. Bout does not think Agrium will increase it again. If the bid is successful, Agrium will acquire some high-quality phosphate rock and nitrogen assets, which could be key drivers of future growth. Earnings should be more diversified and the company stands to reap roughly US\$150 million in merger synergies, largely from reduced costs.

Yet, even if the bid is not successful, we believe Agrium shares are worth considering, given the strong industry fundamentals and the shares' attractive 2009 price-to-earnings ratio of 10.3x. Mr. Bout's US\$65 price target implies a ratio of 13.1x.

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

Company Name	Symbol	Stock Rating	Sector	Price	Price Target	Earnings Per Share (EPS)			P/E	Indicated Dividend	
						2008A	2009E	2010E		2009E	Rate
Talisman Energy Inc.	TLM	SO	M	\$17.82	\$17.25	\$5.96 ^a	\$3.92 ^a	\$3.52 ^a	4.5x ^a	\$0.23	1.3%
Agrium Inc.	AGU	SO	M	C\$57.27	US\$65.00 / C\$72.55 ^b	US\$8.33	US\$4.98	US\$8.18	10.3x ^b	US\$0.11 ^b	0.2%

A - Actual; E - Estimate. a - Cash flow per share (CFPS) and P/CFPS displayed in lieu of earnings per share (EPS) and P/E, respectively. b - Where applicable, target price, EPS for P/E and dividend converted to Canadian dollars at a US\$/C\$ exchange rate of 0.8959; Agrium also trades on the NYSE under symbol AGU. For a description of the CIBC World Markets Research Rating System, see page 8.

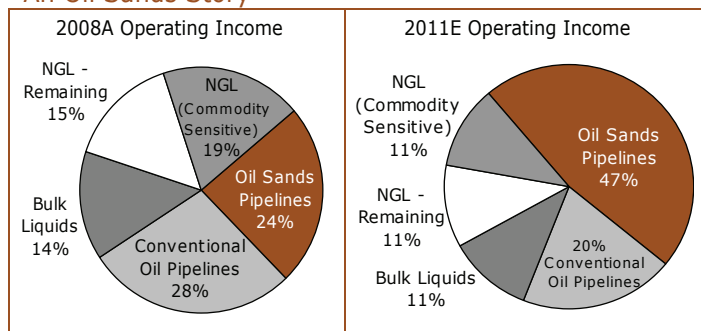
A Nice Set Of Pipes

The S&P/TSX Composite Index has soared an astounding 36% since hitting a five-year low on March 9. Investors, wagering on a recovery, have stampeded into economically sensitive sectors while largely bypassing traditionally defensive sectors. As a result, we believe valuations among the out-of-favour pipeline and utility stocks offer an attractive entry point for those who are looking for a more stable investment with a reliable income stream. Inter Pipeline Fund and TransCanada Corp. are two high quality pipeline names investors may want to consider.

Inter Pipeline Fund, L.P. (IPL.UN, \$8.40, Sector Outperformer) Price Target: \$9.70

Inter Pipeline Fund owns and operates conventional and oil sands pipelines, natural gas liquid extraction facilities and eight deep-water bulk liquid storage terminals in Europe.

An Oil Sands Story



Source: Company reports and CIBC World Markets Inc.

The fund's three conventional oil pipeline systems in Western Canada encompass more than 3,800 kilometres of pipeline and over 975,000 barrels of storage. In 2008 they transported nearly 200,000 barrels per day (Bbls/d) of crude oil, roughly 17% of Western Canada's conventional oil production. Over the past decade, the segment's per-barrel tolls have risen at an annual compound rate of 10%, more than offsetting an average 3.5% decrease in annual throughput. Going forward, CIBC World Markets Inc. analyst Petro Panarites expects the division's operating income will remain stable at current levels.

In addition to its conventional assets, Inter Pipeline still has a significant growth profile as a result of its oil sands pipeline segment. It is already the leading transporter of oil sands production in Canada, moving more than one-third of Canada's oil sands output on its Corridor and Cold Lake pipelines. Both pipelines are undergoing expansions to meet higher anticipated volumes. The expansion of Cold Lake, which is 85% owned by Inter Pipeline, should be completed in the coming months and will increase capacity from 460,000 Bbls/d to 560,000 Bbls/d. And should volume demand grow, management notes that the system

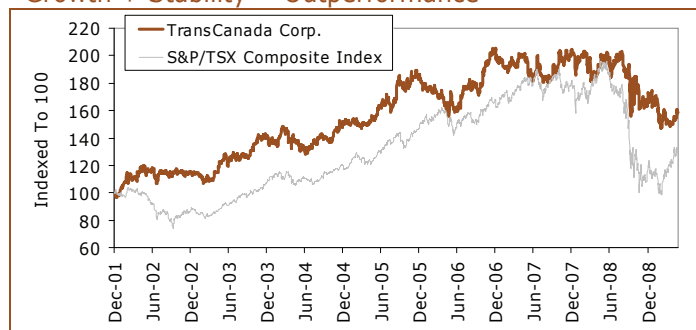
can be cost effectively expanded to 700,000 Bbls/d. Corridor's \$1.8 billion expansion is slated to be completed next year and will boost its capacity from 300,000 Bbls/d to 465,000 Bbls/d. Consequently, Mr. Panarites forecasts Inter Pipeline's operating cash flow per unit will swell from \$1.19 in 2009 to \$1.48 in 2011.

TransCanada Corp. (TRP, \$32.10, Sector Outperformer) Price Target: \$42.00

TransCanada is organized in two segments: pipelines and energy. The pipeline segment consists of a 59,000 kilometre system that taps into virtually all major gas supply basins in North America. The energy division consists of a power portfolio (including nuclear, natural gas, coal, hydro and wind power generation), natural gas storage (with 360 billion cubic feet of capacity) and a liquefied natural gas business.

TransCanada has created shareholder value by growing earnings per share (EPS) from \$1.27 in 2001 to \$2.25 in 2008. As a result, TransCanada has materially outperformed the S&P/TSX Composite Index in this period.

Growth + Stability = Outperformance



Source: Bloomberg

In 2008 TransCanada completed the acquisition of the Ravenswood Generating Station, a 2,480 megawatt power plant in Queens, New York. While CIBC World Markets Inc. analyst Mr. Panarites expects EPS in 2009 to slip 5.3% due to the dilutive impact of the equity financing used to acquire Ravenswood, he believes this creates an opportunity to purchase the stock ahead of an expected 16.4% acceleration in EPS in 2010. Earnings growth next year should be fuelled by higher capacity payments at Ravenswood, growing production at the Bruce Power nuclear plant in Ontario, and incremental contribution from the first phase of the Keystone I Pipeline, which is expected to come into service at the end of this year.

Income-oriented investors should also note that TransCanada has grown its dividend at a five-year annualized rate of 5.8%. The shares currently yield 4.7%, besting the S&P/TSX Composite Index's 3.5% yield.

YOGESH OZA, MA, CFA & SANDI ROSSI, CFA
Private Client Investing

Company Name	Symbol	Stock Rating	Sector Weighting	Price 26-May-09	Price Target	Earnings Per Share (EPS)			P/E 2009E	Indicated Dividend	
						2008A	2009E	2010E		Rate	Yield
Inter Pipeline Income Fund, L.P.	IPL.UN	SO	O	\$8.40	\$9.70	\$1.26 ^c	\$1.19 ^c	\$1.27 ^c	7.1 ^c	\$0.84 ^c	10.0%
TransCanada Corp.	TRP	SO	O	\$32.10	\$42.00	\$2.25	\$2.13	\$2.48	15.1	\$1.52	4.7%

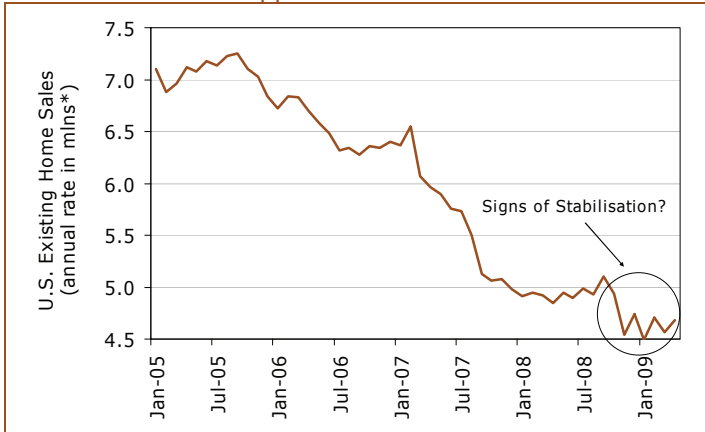
A - Actual; E - Estimate. c - Operating cash flow per unit (OCFPU), P/OCFPU and indicated distribution displayed in lieu of earnings per share (EPS), P/E and indicated dividend, respectively.

For a description of the CIBC World Markets Research Rating System, see page 8.

Charting Trends

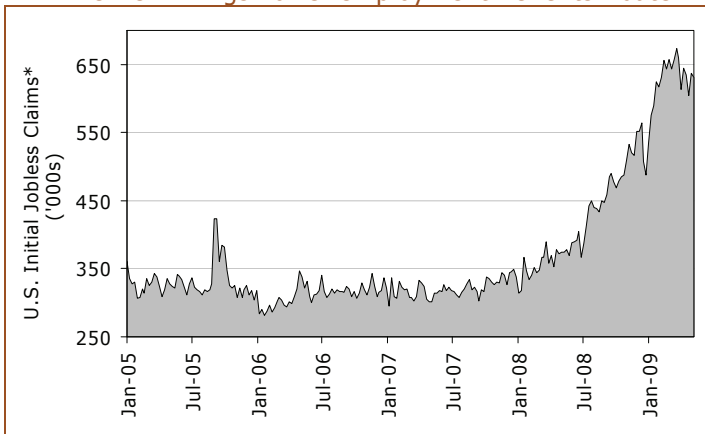
It is often said that a picture is worth a thousand words. We agree. In this section we examine a few interesting charts in order to better understand market dynamics and uncover some investing ideas. It is important to remember, however, that historical relationships or patterns may not always repeat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

U.S. Homes Sales Appear To Have Stabilised...



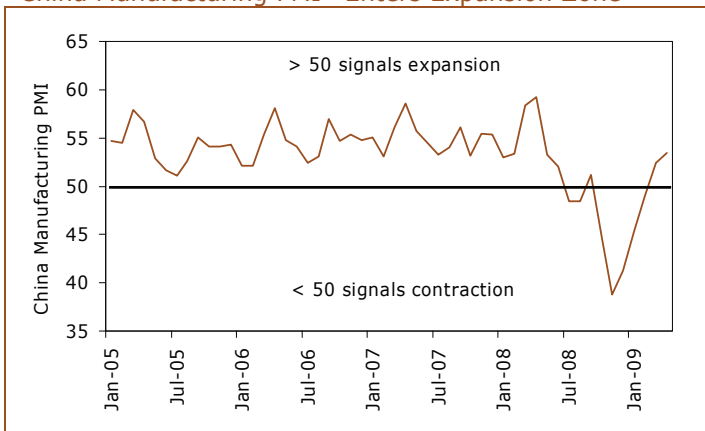
*Seasonally adjusted. Source: Bloomberg

...While New Filings For Unemployment Benefits Abate



*Seasonally adjusted. Source: Bloomberg

China Manufacturing PMI* Enters Expansion Zone



*Purchasing Managers Index. Source: Bloomberg

Economic Green Shoots

Economic signs of life – these days commonly referred to as “green shoots” – have begun to foreshadow an end to the global economic recession. The use of this horticultural metaphor started to surface after a comment by the U.S. Federal Reserve Chairman, Ben Bernanke, in mid-March, ironically, about a week before the first day of spring. In a television interview, Mr. Bernanke said that “green shoots” of an economic revival are already evident.

Indeed, there are several economic indicators that suggest the American, and even global, economy may be ready to stabilize and, thus, avert a 1930s-style depression. The freefall in U.S. existing home sales, which has been at the heart of the financial crisis, may have come to an end. Also, the number of Americans filing initial claims for unemployment benefits appears to have peaked, suggesting layoffs are easing, which could boost consumer confidence. On the global front, China, a major consumer of soft (grains) and hard (metals and oil) commodities, appears to be headed for higher economic activity. The China Manufacturing Purchasing Managers Index recently rebounded to above 50 – a level indicative of production expansion. The first time the index fell below 50 was in July 2008, just before global equity prices started to collapse, and has more or less stayed there until now. Overall, these economic green shoots have been a boon to the stock market, pushing the S&P/TSX Composite and S&P 500 Indices 36% and 35% higher, respectively, since their March lows.

The stock market rally has surely been welcomed by investors, and may have been overdue given that stocks had appeared to be pricing in a depression. With the worst-case scenario seemingly averted, stocks had to rally. But looking forward, risks remain such that a full economic recovery could be years in the making. An upswing in economic activity partially depends on the success of the current plan to fix the U.S. banking system. While much effort by the government has been expended in this regard, lending and borrowing has not returned in a sustainable manner. Still, overall efforts by global central banks and governments most likely point to better times ahead – with possible bumps along the road of investing.

Any unexpected jolts of economic frost could stunt the growth of the promising green shoots, but it does appear that the worst is behind us. Thus, investors may want to take a measured approach to their portfolios, holding some cyclical names, but not forgetting to remain prudently diversified.

DONATO SCOLAMIERO, CFA
Private Client Investing

CIBC Economics Department Interest Rate Outlook

Interest Rates (%) – End of Qtr		26-May-09	Sep/09	Dec/09
3-month T-Bill	Canada	0.19	0.20	0.23
	U.S.	0.17	0.10	0.12
10-year Gov't Bond Yield	Canada	3.41	3.00	3.20
	U.S.	3.55	3.30	3.50
US\$/C\$		89.59	84.0	87.0

Source: CIBC World Markets Inc.

CIBC World Markets Economic Outlook

Economic Outlook		2008A	2009F	2010F
Real GDP Growth (% Chg)	Canada	0.5	-2.7	1.5
	U.S.	1.1	-3.2	1.8
Consumer Price Index (% Chg)	Canada	2.4	0.1	1.2
	U.S.	3.8	-0.5	2.7

Source: CIBC World Markets Inc.

Disclosures And Disclaimers

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

Agrium Inc. (2a, 2c, 2e, 2g, 7) (AGU-NYSE, US\$51.33, Sector Outperformer)
 Bank of Montreal (2a, 2c, 2e, 3a, 3c, 6c, 7) (BMO-TSX, C\$43.71, Sector Performer)
 Canadian Natural Resources Ltd. (2a, 2e, 2g, 9) (CNQ-TSX, C\$62.36, Sector Performer)
 EnCana Corporation (2a, 2e, 2g, 6c, 7, 9) (ECA-TSX, C\$59.37, Sector Outperformer)
 Inter Pipeline Fund, L.P. (2g, 7) (IPL.UN-TSX, C\$8.40, Sector Outperformer)
 Precision Drilling Trust (2g) (PD.UN-TSX, C\$5.64, Sector Outperformer)
 Talisman Energy Inc. (2g) (TLM-TSX, C\$17.82, Sector Outperformer)
 Teck Resources Ltd. (2a, 2b, 2c, 2e, 2g, 9, 12) (TCK.B-TSX, C\$15.95, Sector Outperformer)
 TransCanada Corp. (2a, 2c, 2e, 7) (TRP-TSX, C\$32.00, Sector Outperformer)

Companies Mentioned in this Report that Are Not Covered by CIBC World Markets:

CF Industries Inc. (CF-NYSE, US\$83.06, Not Rated)

Key to Important Disclosure Footnotes:

- 1 CIBC World Markets Corp. makes a market in the securities of this company.
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Abbreviation	Rating	Description
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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.

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