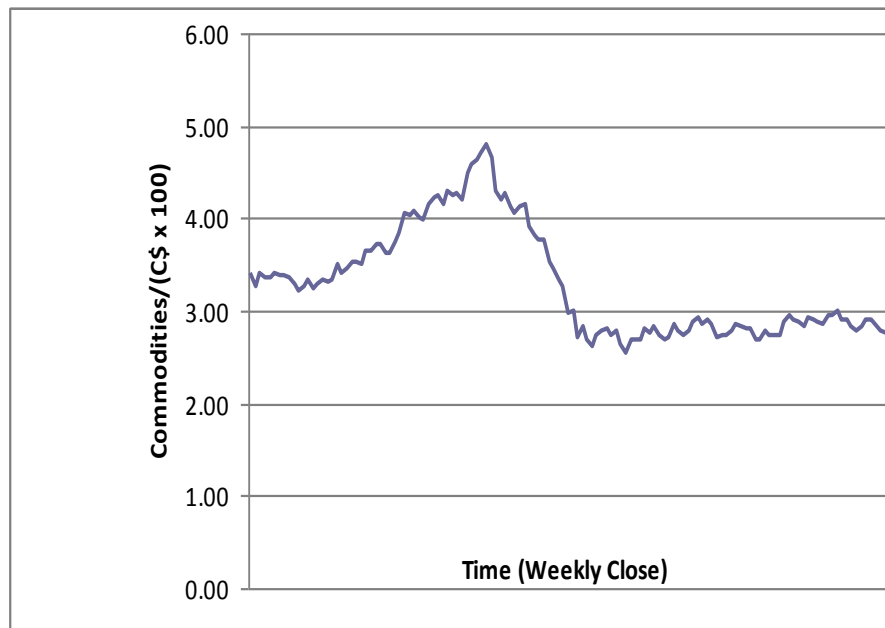




April 5, 2010

Topic: Commodities and the Canadian Dollar

Since Canada is a resource-based economy (oil, base metals, precious metals, wheat), commodity prices have a direct impact upon the value of the Canadian dollar. The following chart shows an interesting aspect of that relationship. We have plotted the ratio of the Reuters/Jeffries Commodity Index against the Canadian dollar since May 2007. From the beginning of September 2007 until the beginning of July 2008, the increase in the Commodity Index (oil has the greatest weight) clearly out-paced the rise in the Canadian dollar, with the ratio rising from 3.26x to 4.80x. From the beginning of July 2008 until the end of November 2008, the trend reversed and the Commodity Index declined proportionately faster than the Canadian dollar, with the ratio falling to 3.00x. Remarkably, from that time until now, the Commodity Index (up 14%) and the Canadian dollar (up 23%) have maintained a stable relationship, ranging between 2.54x and 3.01x, averaging 2.80x. The latest ratio (as at April 3, 2010) is 2.78x, in line with the average.



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