

APRIL 2010

**KARIM VISRAM**  
PRIVATE WEALTH MANAGEMENT GROUP

# Month-In-Review

For the clients and friends of Karim Visram Private Wealth Management Group of RBC Dominion Securities

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## WHAT MOVED THE MARKETS

North American equity indices climbed higher in April, advancing between 1.4% and 2.6% month-on-month. Both the S&P/TSX Index and the S&P 500 hit 52-week closing highs (12,281.0 and 1,217.3 respectively) during the last week of April. The Bank of Canada and the U.S. Federal Reserve kept their respective key rates unchanged during the month, although the former removed its conditional commitment to keep its overnight rate at 0.25% through June. In Asia, the Chinese central bank's moves to cool China's property market sent the Shanghai Composite and the Hang Seng Index into negative territory for the month. Crude futures advanced 2.9%, while Natural Gas futures rose 1.3%. The Canadian dollar reached parity on April 6th—the first time in nearly two years—spurred by investors' expectation of an imminent rate hike by the BOC. Spot gold gained 5.9%, finishing at \$1,179.20, as Greece's ongoing debt woes prompted investors to seek the safety of bullion.

Barrick Gold (ABX), Canadian Pacific Railway (CP) and Cenovus Energy (CVE) all reported better-than-expected quarterly earnings. Misses on the Canadian earnings front included Research In Motion (RIM), which reported worse-than-expected quarterly revenues and shipments, and

Shoppers Drug Mart (SC). In the U.S., 3M (MMM), Ford (F), Intel (INTC) and Apple (AAPL) all reported consensus-beating results. In the U.S. financial sector, JP Morgan (JPM), American Express (AXP), Morgan Stanley (MS) and Goldman Sachs (GS) beat analysts' expectations. Year-to-date, the U.S. financial sector has registered the greatest earnings beat, in aggregate, of all S&P 500 sectors.

The U.S. Securities and Exchange Commission's launch of civil fraud charges against Goldman Sachs (GS) for actions related to the sale of its Abacus CDO triggered a sell-off in North American markets. News went from bad to worse for Goldman after the U.S. Department of Justice announced that it was considering laying criminal charges against the firm. In Europe, the IMF and the European Union finalized a bailout package for Greece; the deal stipulates that the EU and IMF provide roughly €10B in funds over the next several years. In April, Fitch downgraded Greece's credit rating to BBB-. The S&P followed suit later in the month, reducing Greece's credit ratings two notches to junk (BB+), and cutting Portugal to A- and Spain to AA. Five-year credit default swap spreads on Greek, Spanish and Portuguese debt shot to record highs of 825, 383 and 209 basis points, respectively.

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Notable deals during the month included ConocoPhillips' (COP) sale of its 9% stake in Syncrude to Sinopec Shanghai Petrochemical Co. for \$4.65 billion. Talisman Energy (TLM) was also active, selling several non-core Canadian oil and gas assets for a total of \$1.9 billion. In the U.S., Hewlett Packard (HPQ) agreed to buy beleaguered handset maker PALM (PALM) for \$1.2B in an all-cash deal. Large-cap independent oil and gas producer Apache Corp (APA) acquired Mariner Energy for \$2.7B in cash and stock.

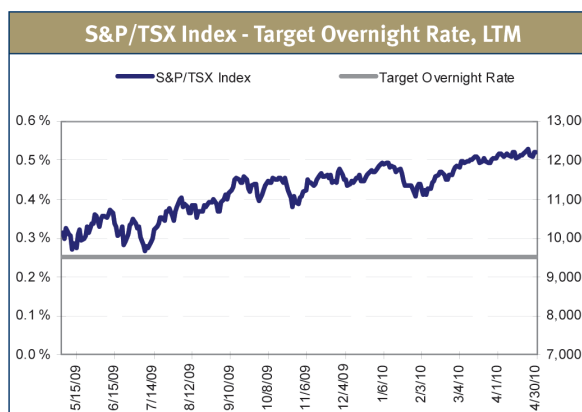
## Number crunching

Equity Indices	Index Level	Month	YTD*
S&P/TSX Composite Index	12,210.70	1.4%	4.0%
Dow Jones Industrial Average	11,008.61	1.4%	5.6%
S&P 500 Index	1,186.69	1.5%	6.4%
NASDAQ Composite Index	2,461.19	2.6%	8.5%
MSCI World	1,198.56	-0.2%	2.6%
MSCI EAFE	1,551.03	-2.1%	-1.9%
MSCI World TR	3,949.72	0.1%	3.4%

S&P/TSX Sector Performance	Index Level	Month	YTD*
S&P/TSX Financials	1,674.48	-0.3%	6.8%
S&P/TSX Energy	2,848.78	2.6%	-0.2%
S&P/TSX Materials	3,198.75	5.7%	5.9%
S&P/TSX Industrials	1,186.62	-1.0%	4.6%
S&P/TSX Consumer Discretionary	967.89	2.1%	7.7%
S&P/TSX Telecom Services	773.55	2.1%	6.6%
S&P/TSX Information Technology	265.30	-3.9%	1.8%
S&P/TSX Consumer Staples	1,457.82	-5.4%	-5.7%
S&P/TSX Utilities	1,661.04	-4.2%	-2.4%
S&P/TSX Healthcare	359.50	1.0%	10.7%

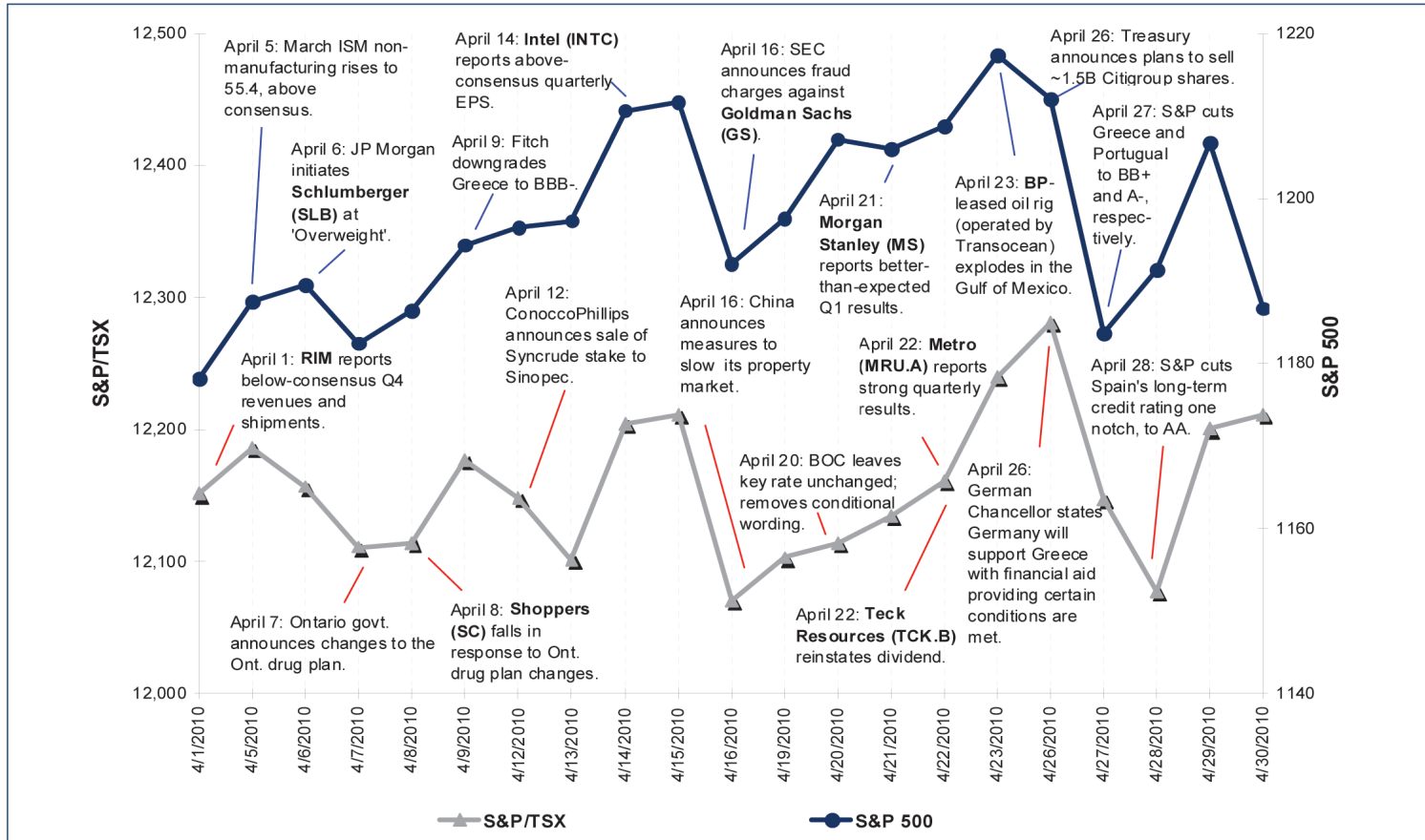
Currencies (in Canadian Dollars)	Exchange	Month	YTD*
US Dollar	1.0179	0.3%	-3.4%
Euro	1.3532	-1.3%	-10.3%
British Pound	1.5543	0.8%	-8.7%
Japanese Yen (100)	1.0846	-0.2%	-4.2%

Commodities (US\$)	Spot Price	Month	YTD*
Crude Oil (WTI per barrel)	\$86.15	2.9%	8.6%
Natural Gas (per million btu)	\$3.92	1.3%	-29.6%
Gold (per ounce)	\$1,179.20	5.9%	7.5%
Silver (per ounce)	\$18.64	6.7%	10.5%
Copper (per pound)	\$3.35	-4.7%	0.7%
Nickel (per pound)	\$11.90	5.1%	42.2%
Aluminum (per pound)	\$1.01	-3.0%	1.3%
Zinc (per pound)	\$1.04	-3.8%	-10.7%



\*YTD return data is simple price return. All indices are in local currency unless otherwise noted. Source: Bloomberg

## North American equity performance



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