



# THE Goods

## A MONTHLY COMMODITY WATCH



BMO  Capital Markets

## Commodity Bull Charged Ahead in February Nourished by spiking wheat prices

The commodities bull went on the rampage in February and early March, charging to never-seen-before levels after feasting on potent wheat last month. The largest gain in agricultural prices in nearly 35 years provided a powerful boost to the **BMO Capital Markets Commodity Price Index**, which rose to yet another record high of 211.9 (2003 = 100), up 5.7% in the month. All other commodity groups also contributed, with Oil & Gas reaching an all-time high and Metals & Minerals approaching its previous record set last May. However, the advance for Forest Products was marginal and its level remained just above five-year lows. This fifth increase in the overall Index during the past six months has lifted it 23% above its year-earlier level.

However, with some commodities (e.g. crude oil, wheat) displaying bubble-like characteristics, the bull is at an increasing risk of being tripped by price corrections, as seen in recent days. We expect slower global economic growth will restrain demand for commodities and steer the overall Index moderately lower through 2009, though turbulence in financial markets and the economy will make the journey bouncy.

The **Oil & Gas Index** set a new record high in February. Both crude oil and natural gas prices took off around the middle of the month and accelerated right through to mid March. In the case of oil, moderately tight global supply-demand fundamentals have taken a back seat to speculative flows, although these could swing the other way on short notice. In fact, support for prices softened suddenly in recent days.

The **Metals & Minerals Index** moved higher on strength in both precious and industrial metals. Growing economic uncertainty, mounting inflation concerns and the continuing U.S. dollar slide boosted gold and silver. Base metals seemed to earlier dismiss the prospect of a global economic slowdown and tightening credit market conditions, although these concerns have put downward pressure on prices in recent days.

The **Forest Products Index** managed to eke out a minor gain following two straight declines. Still caught in the U.S. housing downdraft, wood products fell further and show no evidence of a turnaround anytime soon. An advance by newsprint boosted pulp & paper, offsetting weakness in lumber.

The **Agricultural Index** was propelled skyward by supply concerns, continued strong demand for grains and oilseeds, and heightened interest by investment funds. Over the past year, the Index has more than doubled, largely as a result of dwindling stockpiles of grains and oilseeds, with wheat prices more than tripling. We see farm prices remaining high over the next two years.

### OIL AND GAS

**Earl Sweet**

Senior Economist & MD  
earl.sweet@bmo.com

### METALS AND AGRICULTURE

**Kenrick Jordan**

Senior Economist  
kenrick.jordan@bmo.com

### FOREST PRODUCTS

**Robert Hogue**

Senior Economist  
robert.hogue@bmo.com

1-800-613-0205

[www.bmonesbittburns.com/economics](http://www.bmonesbittburns.com/economics)

### BMO Capital Markets Commodity Price Index

All Commodities Index (2003 = 100)

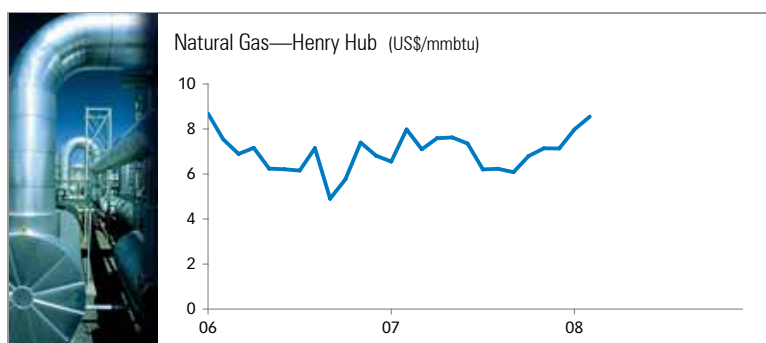
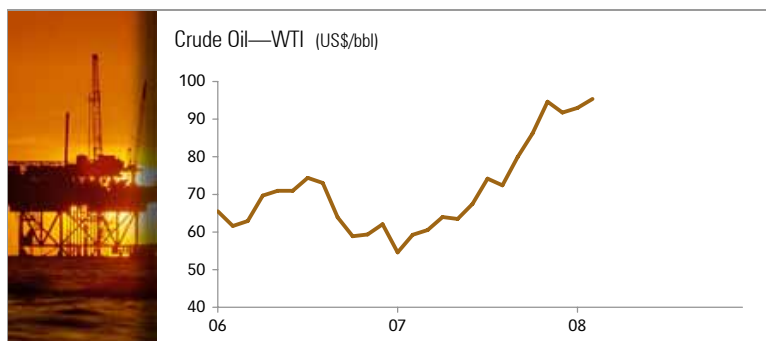


	Feb. Level (2003=100)	% Change from Mth. Ago	% Change from Yr. Ago
All Commodities	211.9	5.7	23.0
Oil & Gas	229.5	4.1	37.2
Metals & Minerals	279.7	4.3	2.2
Forest Products	105.9	0.3	-2.6
Agriculture	299.6	37.0	143.8



## Oil and Gas

**Crude Oil** After remaining essentially flat in the low-\$90/barrel range during the first half of February, U.S. benchmark West Texas Intermediate (WTI) went parabolic during the second half of the month and first half of March. On a monthly average basis, WTI rose 2.6% to US\$95.35/barrel in February. However, it skyrocketed to the vicinity of \$110 by mid March, blowing away previous record highs both in current-dollar and real terms. While the global, if not the U.S., oil market is moderately tight, the supply-demand balance on its own would not support current prices. Further, while the usual slate of supply risks is not immaterial, it is no more threatening than last September when WTI averaged \$80, or a year ago when it averaged approximately \$60. If anything, deteriorating U.S. and global economic prospects over the past year normally would put downward pressure on oil prices. So, what's priming the pump? For one thing, the falling U.S. dollar and rising inflation expectations have increased the attractiveness of hard assets such as oil and gold as preservers of value. Further, the more the greenback falls against the Euro and Yen, the less inclined is OPEC to raise production to restrain prices. Second, momentum investors have pretty much run out of targets in equity markets (except short sellers) and had, until recently, turned their attention to commodities with traction. Third, costs in the energy patch continue to rise, be they related to private sector exploration, construction, and extraction or public sector taxation and environmental initiatives. Whatever the new normal is for WTI – be it \$70, \$80, or \$90 – the recent bubble-like \$110 looks way overdone for now, supported by surging speculative activity. Nevertheless, bubbles can be sustained and even expand for quite a while before bursting. As long as the U.S. dollar continues on its downtrend, financial markets remain in turmoil, and global inflation pressures build, hard assets will remain in vogue. What could burst the bubble? Evidence that the U.S. recession will be deeper than expected would raise expectations that growth in emerging markets will slow sufficiently to meaningfully crimp the demand for oil. Also, signs that the U.S. dollar is bottoming out could remove another prop from oil's high platform. Once prices begin to turn, the decline could be just as abrupt as the earlier upswing – hinted at by recent wild gyrations – as speculators head for the exits, not wanting to be last out the door and the source of others' profits.



**Natural Gas** prices jumped in February, with U.S. benchmark Henry Hub climbing 7.1% to average US\$8.55 per million British thermal units (mmbtu, approximately the energy in 1,000 cubic feet of gas), well up from a recent monthly low of just over \$6 in September. Prices continued to rise briskly in March, with Henry Hub reaching \$9.80 by mid month. On the supply side, a very active drilling program has spurred a recovery in U.S. domestic gas production – up 5.4% on a year-over-year basis during October-December. While imports of gas from Canada rose a surprisingly strong 6.5% during that period, this was almost completely offset by plunging imports (-41%) of liquefied natural gas (LNG). While overall supply has been rising, this has been overwhelmed by surging consumption. Heating degree days have risen 4% so far this winter compared to last year. However, the primary driver has been the explosive demand by power generators – up 13%. This reflects both environmental considerations and the sharp decline in the cost of natural gas relative to oil since mid-2007.

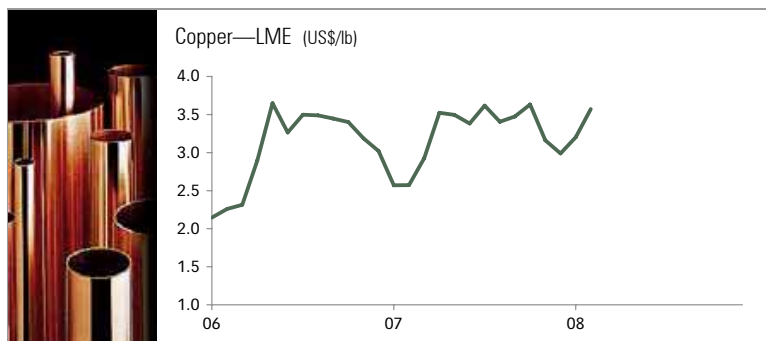
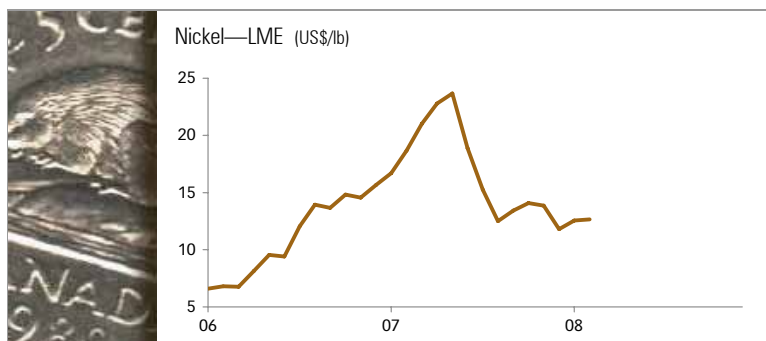


## Metals and Minerals

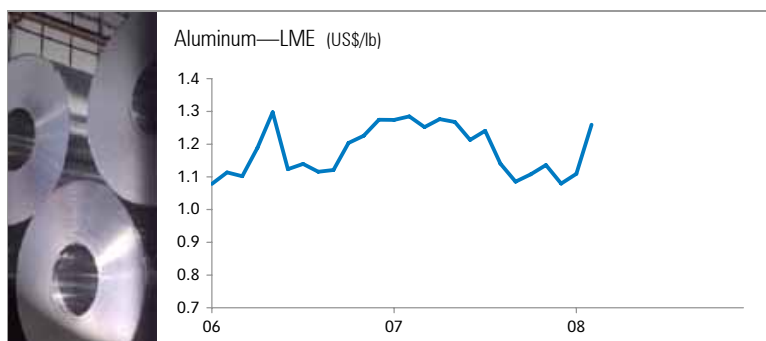
**Nickel** gained slightly less than 1% in February to an average of US\$12.66/lb. The market received a fillip from a pickup in demand by stainless steel producers, a strike in Colombia, further U.S. dollar weakness, and heightened investor interest in commodity markets. Last month's gain notwithstanding, nickel remained roughly 32% below its level a year ago, reflecting a reduction in global demand for the metal as high prices prompted stainless steel producers to deplete inventories and substitute other metals for nickel. During the next few months, prices should firm as demand strengthens, though rising mine supply from new projects is likely to temper gains. We expect prices to remain well above historical norms this year, averaging US\$13.25/lb. before softening to US\$11/lb. in 2009.

**Copper** prices soared 11.6% in February to an average of US\$3.57/lb., buoyed by further declines in LME inventories, supply concerns, continued strong demand, U.S. dollar weakness, and increased speculative interest. In particular, a drop in LME stocks of 20% in the month, a reported production shortfall in Chile, and ongoing power-related problems in Zambia, China and South Africa pushed prices higher. The gain left copper prices roughly 39% above their year-earlier level. Though flirting with the daily high of US\$4.00/lb. reached in May 2006, prices

have generally eased through the second week of March amid an increasingly cloudy global economic outlook. Supply should improve as temporary problems are resolved and elevated prices elicit higher production. Nevertheless, while prices are likely to moderate from current levels, we expect them to remain relatively high over the next two years amid low inventories, a tight market for concentrate, reasonably solid demand, and a good chance of industrial labour actions. Overall, we anticipate that copper prices will ease to \$3.15/lb. in 2008 and \$2.50 in 2009.



**Aluminum** advanced 13.6% in February, with prices averaging US\$1.26/lb. amid supply disruptions in China and South Africa. As with other base metals, the weak U.S. dollar and heightened investor interest also played a role. Even with the increase, prices remained about 2% lower than a year ago, suppressed by mounting inventories. Over the past year, LME stocks have risen as U.S. demand softened due to weak activity in the housing and automotive sectors and rapidly growing global output. Prices were supported during the first half of March by ongoing power supply issues, although there has recently been some softening due to mounting concerns about economic growth. Further out, we anticipate that an expanding surplus will pressure prices lower. Still, we see prices remaining high from a long-term perspective, buttressed by reasonably firm demand and high-cost energy. Aluminum is forecast to average US\$1.15/lb. in 2008 and \$1.00 in 2009.



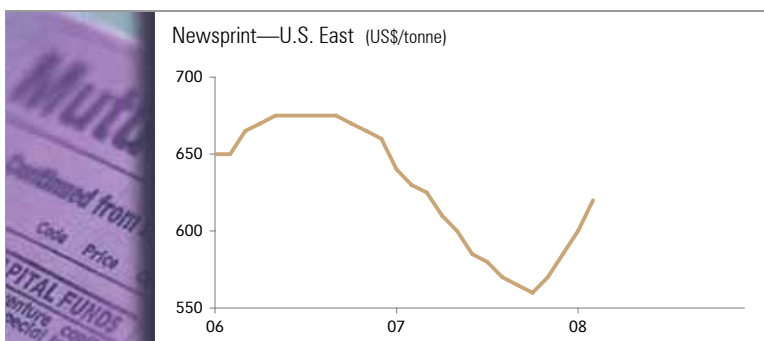
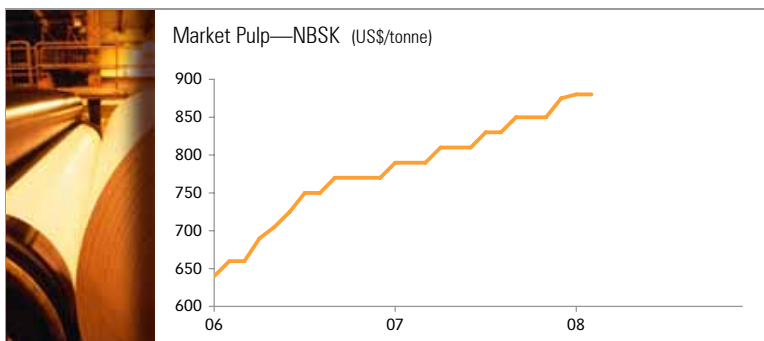
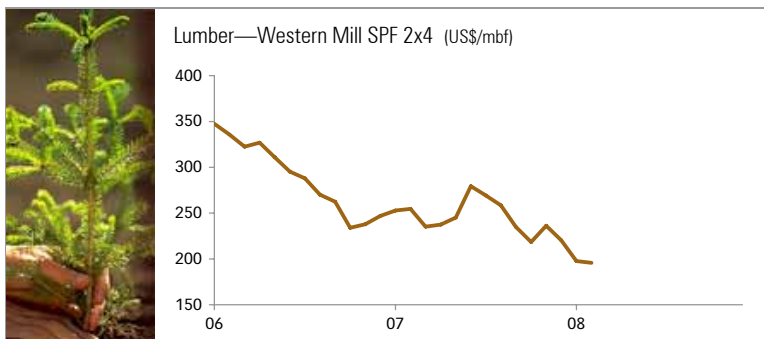


## Forest Products

**Lumber** With both cyclical and seasonal factors exerting a heavy toll, lumber prices remained deeply depressed in February at levels last seen during the 1991 recession. Western SPF 2x4 edged further down by US\$2/mbf to US\$196/mbf, a whopping 23% below where it stood the same time last year. Market conditions could hardly be worse. Demand is in free-fall due to collapsing U.S. housing construction. Meanwhile, the numerous sawmill shutdowns have failed to remove sufficient excess capacity. Prices have been below variable costs – a trigger point for closing capacity – for many months now. In real terms, current prices might well be the lowest in modern times. With U.S. construction activity not expected to find a trough until next year, the lumber market will remain stressed. Mill curtailments are likely to intensify, especially in Canada where the high Canadian dollar is exacerbating the effect of historically low prices. We have revised our price forecasts downwards to US\$210/mbf in 2008 (from \$225 previously) and US\$265/mbf in 2009 (\$270 previously).

**Market Pulp** NBSK was unchanged at US\$880/tonne in February, the highest level in 12 years. Pulp prices have risen steadily since the start of 2006 on solid demand, constrained supply, and rising input costs.

However, current high prices are straining pulp users (papermakers) who are facing stiffer resistance from their customers when attempting to pass on further price increases. While pulp demand remains relatively robust, deteriorating economic conditions will likely sap momentum going forward. Prices are expected to stay near current values through the year, although substantial economic uncertainty raises both upside and downside risks. NBSK is forecast to average US\$875/tonne in 2008 and \$870 in 2009.



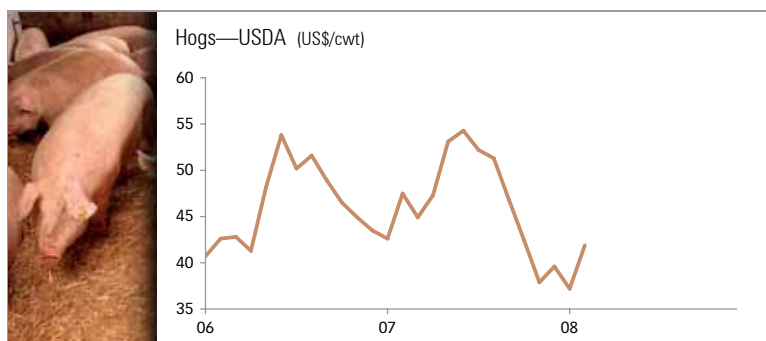
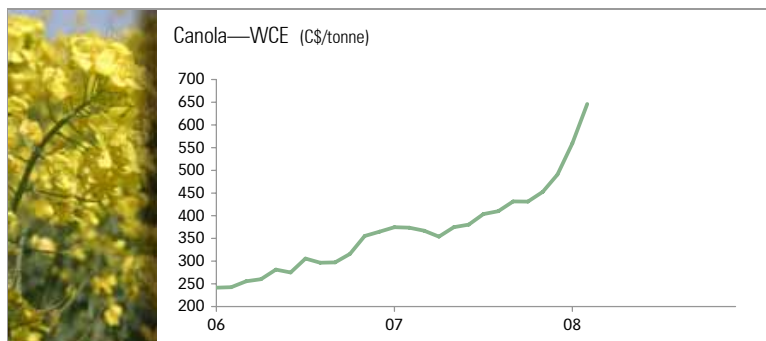
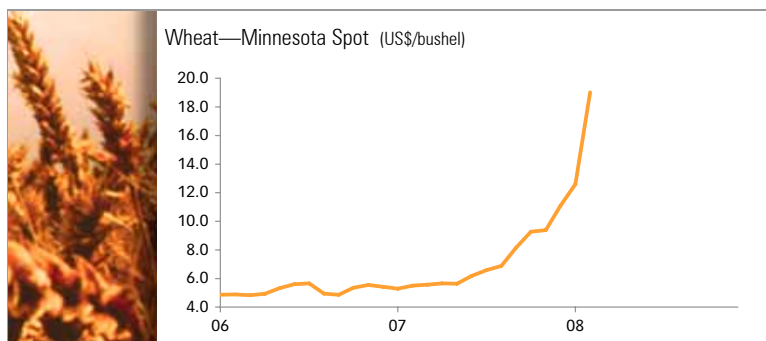
**Newsprint** producers put through the second instalment of their intended US\$60/tonne Q1 hike, boosting the U.S. East Coast benchmark by \$20 to US\$620/tonne in February. Substantial capacity reductions by AbitibiBowater (the world's biggest newsprint producer) since its merger have turned market sentiment around and put pricing power in the hands of producers. Prices have rallied almost 11% since October – though not yet to year-ago levels. Q1's last \$20 instalment looks secure in March. A number of key producers are now shifting attention to Q2 and announced plans to introduce another US\$60/tonne hike during that quarter. However, this attempt is likely to face stronger pushback from customers, as they digest increases to date amid generally declining needs for newsprint. We expect this latest attempt to be only partly successful. Newsprint is forecast to average \$660/tonne in 2008 and \$710 in 2009, up from \$593 in 2007.



## Agricultural Products

**Wheat** The price of Minneapolis dark spring wheat soared 51% in February to average just over US\$19/bu. Against a backdrop of already very low stockpiles, wheat was propelled by further downward revisions to ending stocks for the 2007-2008 crop year in key exporters (e.g., Canada, United States), a smaller-than-anticipated increase in U.S. plantings last autumn, export restrictions in some countries (e.g., Russia, Ukraine), robust demand for premium milling grades, and growing speculative interest. Following February's gains, the monthly average wheat price was close to three and a half times its level a year ago. However, it has since pulled back during the first two weeks of March to the US\$15-16/bu range. With global stocks at their lowest level in relation to use in decades, prices are expected to remain elevated throughout 2008, although increased global production – encouraged by high prices – will likely prompt some easing later this year. We see wheat prices averaging US\$11.90/bu. in 2008 and then retreating to US\$8.50/bu. in 2009, still well above long-term norms.

**Canola** Tightening oilseed supplies and fresh demand helped to push canola prices roughly 16% higher in February to an average of C\$646/tonne. Canola was lifted by the following: downward revisions to ending stocks for soybeans and canola in the United States and Canada, respectively; continuing concern about South American soybean yields; and, increased demand from China following substantial damage to that country's crop due to extreme winter conditions. During the past year, canola has advanced by roughly 73% in Canadian dollar terms, due to adverse weather conditions in some of the world's key growing regions. We anticipate that prices will remain high, underpinned by limited oilseed supplies, robust demand from emerging countries, and the budding bio-fuel industry. We see canola prices averaging C\$600/tonne (US\$595) in 2008 and C\$520 (US\$500) in 2009.



**Hog** Average hog prices recovered 12.6% in February to US\$41.90/cwt. The increase was driven mainly by indications that the size of the herd was being reduced in both Canada and the United States in the face of declining profitability. Still, hog prices remain nearly 12% lower than a year ago. Even though the demand for pork is robust, especially in export markets, the large number of hogs available for slaughter has weighed on prices. They are expected to move moderately higher over the next several months as demand firms seasonally and shrinking herd size promotes slower growth in the number of hogs available for slaughter. Average prices of US\$47/cwt. and US\$50/cwt are forecast in 2008 and 2009, respectively.



## Energy and Materials

		Crude Oil	Natural Gas		Lumber	Pulp	Newsprint
		(WTI)	(NYMEX near mo.)	(Alta. Empress spot)			
		US\$/bbl	US\$/mmbtu		US\$/mbf	US\$/tonne	
	1995	18.43	1.69	0.91	276	876	668
	1996	22.13	2.70	1.16	378	600	645
	1997	20.58	2.50	1.41	379	590	555
	1998	14.37	2.08	1.53	312	543	596
	1999	19.25	2.27	2.04	368	541	509
	2000	30.30	4.31	3.81	282	685	564
	2001	25.92	3.96	3.48	275	558	585
	2002	26.10	3.36	2.63	262	490	465
	2003	31.14	5.50	4.82	268	553	503
	2004	41.44	5.91	5.25	386	640	550
	2005	56.46	8.81	7.51	347	647	610
	2006	66.10	6.74	5.92	290	722	667
	2007	72.36	6.98	6.32	245	824	593
	y-t-d 2008	96.54	8.52	8.00	196	880	610
<b>2007</b>	March	60.56	7.10	7.06	235	790	625
	April	63.97	7.59	7.15	238	810	610
	May	63.46	7.63	6.89	245	810	600
	June	67.48	7.36	6.17	279	810	585
	July	74.18	6.21	5.24	269	830	580
	August	72.39	6.23	4.96	258	830	570
	September	79.93	6.08	5.05	235	850	565
	October	86.20	6.80	6.27	218	850	560
	November	94.62	7.14	6.38	236	850	570
	December	91.73	7.14	6.54	221	875	585
<b>2008</b>	January	92.95	7.98	7.73	198	880	600
	February	95.35	8.55	8.10	196	880	620
	m-t-d March	106.43	9.61	8.95	191	n.a.	n.a.
	<b>Price Trend Next 3 Months</b>						
<b>Forecast</b>	2008 Avg.	<b>90</b>	<b>8.50</b>	<b>7.72</b>	<b>210</b>	<b>875</b>	<b>660</b>
	2009 Avg.	<b>86</b>	<b>9.50</b>	<b>8.85</b>	<b>265</b>	<b>870</b>	<b>710</b>

Commodity price forecasts are by BMO Capital Markets Economics and are independent of those used by BMO Capital Markets Equity Research.



## Base and Precious Metals

		Copper	Aluminum	Zinc	Nickel	Gold	Silver
		US\$/lb				US\$/oz	
	1995	1.33	0.82	0.47	3.73	384	5.20
	1996	1.04	0.68	0.47	3.41	388	5.20
	1997	1.03	0.73	0.60	3.15	331	4.91
	1998	0.75	0.62	0.46	2.10	294	5.55
	1999	0.71	0.62	0.49	2.73	279	5.22
	2000	0.82	0.70	0.51	3.91	279	4.96
	2001	0.72	0.66	0.40	2.71	271	4.37
	2002	0.71	0.61	0.35	3.08	310	4.60
	2003	0.81	0.65	0.38	4.37	364	4.88
	2004	1.30	0.78	0.48	6.27	409	6.65
	2005	1.67	0.86	0.63	6.69	445	7.31
	2006	3.05	1.17	1.48	11.00	605	11.58
	2007	3.23	1.20	1.47	16.89	697	13.40
	y-t-d 2008	3.48	1.23	1.11	13.00	920	17.39
<b>2007</b>	March	2.93	1.25	1.48	21.00	656	13.19
	April	3.52	1.28	1.61	22.79	680	13.74
	May	3.50	1.27	1.74	23.67	668	13.14
	June	3.38	1.21	1.63	18.89	656	13.15
	July	3.62	1.24	1.61	15.25	665	12.91
	August	3.41	1.14	1.48	12.50	665	12.37
	September	3.47	1.09	1.31	13.42	711	12.86
	October	3.63	1.11	1.35	14.08	755	13.68
	November	3.16	1.14	1.15	13.86	808	14.70
	December	2.99	1.08	1.07	11.80	804	14.27
<b>2008</b>	January	3.20	1.11	1.06	12.56	888	15.96
	February	3.57	1.26	1.10	12.66	924	17.57
	m-t-d March	3.89	1.41	1.21	14.71	981	20.17
	<b>Price Trend Next 3 Months</b>						
<b>Forecast</b>	2008 Avg.	<b>3.15</b>	<b>1.15</b>	<b>1.06</b>	<b>13.25</b>	<b>975</b>	<b>18.35</b>
	2009 Avg.	<b>2.50</b>	<b>1.00</b>	<b>0.95</b>	<b>11.00</b>	<b>915</b>	<b>16.80</b>

Commodity price forecasts are by BMO Capital Markets Economics and are independent of those used by BMO Capital Markets Equity Research.



## Agriculture

		Wheat	Canola	Cattle	Hogs
		US\$/bushel	US\$/tonne		US\$/cwt
	1995	4.92	309	62.19	41.76
	1996	5.62	315	59.31	53.25
	1997	4.48	284	63.34	52.03
	1998	4.02	264	59.73	32.50
	1999	3.69	204	63.28	32.33
	2000	3.62	176	68.37	42.89
	2001	3.69	201	71.20	44.08
	2002	4.14	242	66.61	33.28
	2003	4.24	261	79.97	37.55
	2004	4.56	271	85.58	51.21
	2005	4.78	224	89.55	49.62
	2006	5.19	257	87.08	46.25
	2007	7.10	379	90.02	46.66
	y-t-d 2008	7.14	380	87.55	39.55
<b>2007</b>	March	5.56	314	91.60	44.90
	April	5.65	311	93.70	47.30
	May	5.64	341	92.80	53.10
	June	6.18	356	88.80	54.30
	July	6.59	385	89.00	52.20
	August	6.87	387	91.40	51.30
	September	8.17	421	93.10	46.80
	October	9.27	441	90.90	42.40
	November	9.39	469	89.90	37.90
	December	11.09	490	89.20	39.60
<b>2008</b>	January	12.59	553	87.30	37.20
	February	19.02	646	87.80	41.90
	m-t-d March	16.29	690	n.a.	n.a.
	<b>Price Trend Next 3 Months</b>				
<b>Forecast</b>	2008 Avg.	<b>11.90</b>	<b>595</b>	<b>93</b>	<b>47</b>
	2009 Avg.	<b>8.50</b>	<b>500</b>	<b>95</b>	<b>50</b>

Commodity price forecasts are by BMO Capital Markets Economics and are independent of those used by BMO Capital Markets Equity Research.



## Commodity Indices and Forecasts

US\$-terms : 2003 = 100		All Commodities	Oil & Gas	Metals & Minerals	Forest Products	Agricultural Products	All Commodities C\$-terms
Annual							
	1999	78.0	51.4	89.6	114.3	83.3	82.7
	2000	95.8	87.7	99.5	109.6	84.5	101.7
	2001	87.1	77.5	89.2	101.9	88.4	96.1
	2002	81.7	72.2	89.0	90.0	92.5	91.6
	2003	100.0	100.0	100.0	100.0	100.0	100.0
	2004	122.4	120.0	128.4	124.7	109.5	113.7
	2005	149.8	170.6	150.3	121.7	109.0	129.3
	2006	163.7	166.7	229.6	115.6	114.5	132.6
	2007	181.0	178.8	284.0	108.2	146.5	138.5
Forecast	2008	<b>205</b>	<b>221</b>	<b>282</b>	<b>110</b>	<b>218</b>	<b>148</b>
	2009	<b>203</b>	<b>224</b>	<b>264</b>	<b>122</b>	<b>174</b>	<b>151</b>
Quarterly							
<b>2006</b>	Q3	166.4	167.3	242.2	114.0	116.1	133.3
	Q4	164.5	156.4	261.6	108.9	120.2	133.7
<b>2007</b>	Q1	168.3	158.4	276.2	107.7	121.9	140.8
	Q2	184.2	172.1	317.4	108.4	130.5	144.8
	Q3	179.1	176.2	278.1	109.6	150.4	133.6
	Q4	192.3	208.3	264.4	107.2	183.3	134.8
Forecast	<b>2008</b>	<b>214</b>	<b>236</b>	<b>284</b>	<b>106</b>	<b>262</b>	<b>153</b>
	Q2	<b>212</b>	<b>230</b>	<b>291</b>	<b>110</b>	<b>238</b>	<b>151</b>
	Q3	<b>196</b>	<b>204</b>	<b>282</b>	<b>113</b>	<b>196</b>	<b>141</b>
	Q4	<b>197</b>	<b>213</b>	<b>272</b>	<b>112</b>	<b>176</b>	<b>144</b>
Monthly							
<b>2007</b>	Feb	172.2	167.3	273.8	108.7	122.9	144.2
	Mar	172.1	161.3	289.8	105.5	124.2	143.5
	Apr	182.9	171.1	317.3	106.5	126.2	148.4
	May	184.6	170.7	324.4	107.0	129.5	144.9
	Jun	185.0	174.5	310.4	111.8	136.0	140.9
	Jul	183.3	174.4	300.9	111.8	142.3	137.3
	Aug	175.5	171.8	271.8	109.8	146.1	132.8
	Sep	178.5	182.3	261.6	107.3	162.7	130.7
	Oct	187.6	198.9	267.2	105.5	174.9	131.1
	Nov	196.7	215.3	269.8	108.7	176.9	135.7
	Dec	192.6	210.7	256.2	107.5	198.1	137.7
<b>2008</b>	Jan	200.4	220.5	268.2	105.6	218.7	144.7
	Feb	211.9	229.5	279.7	105.9	299.6	151.3

Commodity price indices and forecasts are by BMO Capital Markets Economics.  
Forecasts are independent of those used by BMO Capital Markets Equity Research.

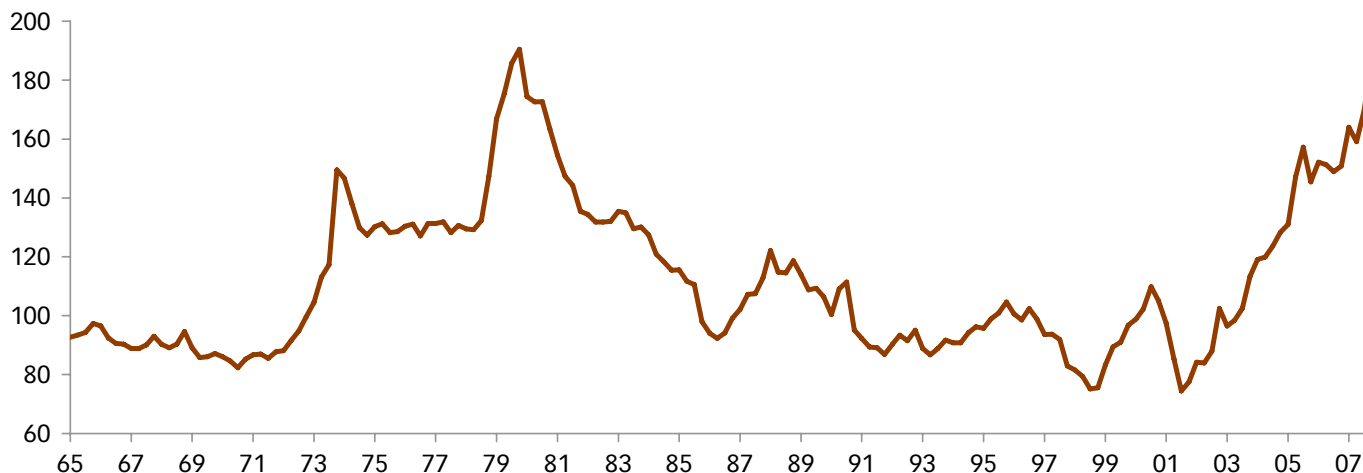


# Historical Charts: All-Commodity Index

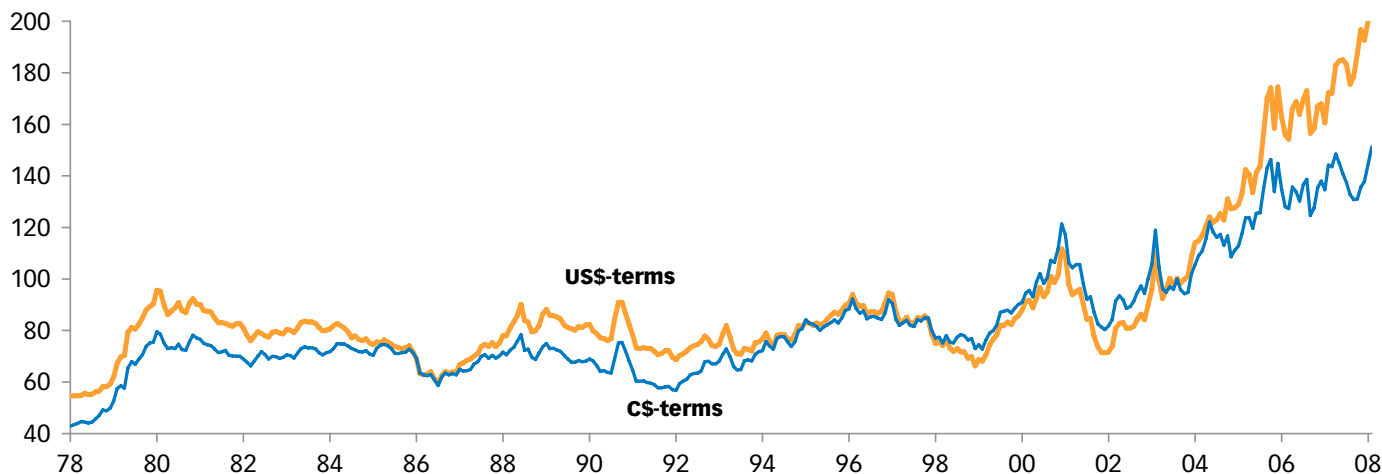
Nominal US\$-Terms (2003 = 100)



Real US\$-Terms (2003 = 100)



Nominal (2003 = 100)





## Technical Note

The BMO Capital Markets Commodity Price Index is a fixed-weight, export-based index that encompasses the price movement of 19 commodities key to Canadian exports. Weights are each commodity's average share of export values during the period 2002-06. Similarly, weights of sub-index components reflect the relative importance of commodities within their respective product group.

The all-commodities index and sub-indices consist of the following:

Percent	Weight in All-Commodities Index	Weight in Sub-Index		Weight in All-Commodities Index	Weight in Sub-Index
<b>Metals &amp; Minerals</b>	<b>21.5</b>	<b>100.0</b>	<b>Forest Products</b>	<b>26.3</b>	<b>100.0</b>
Gold	3.1	14.5	Newsprint	5.0	18.8
Silver	0.4	1.9	Market Pulp	5.9	22.6
Aluminum	0.4	38.7	Supercalendered Paper	3.4	13.1
Copper	2.3	10.4	Lumber	9.3	35.3
Nickel	3.3	15.2	OSB	2.7	10.3
Zinc	1.0	4.4			
Uranium	1.1	5.0	<b>Agricultural Products</b>	<b>5.9</b>	<b>100.0</b>
Potash	2.1	9.8	Wheat	2.8	47.8
			Canola	1.2	20.3
<b>Oil and Gas</b>	<b>46.3</b>	<b>100.0</b>	Hogs	0.6	9.7
Crude Oil	22.7	49.1	Beef Cattle	1.3	22.3
Canadian Natural Gas	23.6	50.9			
			<b>All Commodities</b>	<b>100.0</b>	

Unless otherwise specified, all indices reported in this publication correspond to prices in U.S. dollars.

The information, opinions, estimates, projections and other materials contained herein are provided as of the date hereof and are subject to change without notice. Some of the information, opinions, estimates, projections and other materials contained herein have been obtained from numerous sources and Bank of Montreal ("BMO") and its affiliates make every effort to ensure that the contents thereof have been compiled or derived from sources believed to be reliable and to contain information and opinions which are accurate and complete. However, neither BMO nor its affiliates have independently verified or make any representation or warranty, express or implied, in respect thereof, take no responsibility for any errors and omissions which may be contained herein or accept any liability whatsoever for any loss arising from any use of or reliance on the information, opinions, estimates, projections and other materials contained herein whether relied upon by the recipient or user or any other third party (including, without limitation, any customer of the recipient or user). Information may be available to BMO and/or its affiliates that is not reflected herein. The information, opinions, estimates, projections and other materials contained herein are not to be construed as an offer to sell, a solicitation for or an offer to buy, any products or services referenced herein (including, without limitation, any commodities, securities or other financial instruments), nor shall such information, opinions, estimates, projections and other materials be considered as investment advice or as a recommendation to enter into any transaction. Additional information is available by contacting BMO or its relevant affiliate directly. BMO and/or its affiliates may make a market or deal as principal in the products (including, without limitation, any commodities, securities or other financial instruments) referenced herein. BMO, its affiliates, and/or their respective shareholders, directors, officers and/or employees may from time to time have long or short positions in any such products (including, without limitation, commodities, securities or other financial instruments). BMO Nesbitt Burns Inc. and/or BMO Capital Markets Corp., subsidiaries of BMO, may act as financial advisor and/or underwriter for certain of the corporations mentioned herein and may receive remuneration for same. "BMO Capital Markets" is a trade name used by the Bank of Montreal Investment Banking Group, which includes the wholesale/institutional arms of Bank of Montreal, BMO Nesbitt Burns Inc., BMO Nesbitt Burns Ltée/Ltd., BMO Capital Markets Corp. and Harris N. A., and BMO Capital Markets Limited. TO U. S. RESIDENTS: BMO Capital Markets Corp. and/or BMO Nesbitt Burns Securities Ltd., affiliates of BMO NB, furnish this report to U. S. residents and accept responsibility for the contents herein, except to the extent that it refers to securities of Bank of Montreal. Any U. S. person wishing to effect transactions in any security discussed herein should do so through BMO Capital Markets Corp. and/or BMO Nesbitt Burns Securities Ltd. TO U. K. RESIDENTS: The contents hereof are not directed at investors located in the U. K., other than persons described in Part VI of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001.

™ - "BMO (M-bar roundel symbol) Capital Markets" is a trade-mark of Bank of Montreal, used under licence. © Copyright Bank of Montreal.