



# THE Goods

## A MONTHLY COMMODITY WATCH



BMO  Capital Markets

## The Commodities Rout Worsens As All Sub-Groups Suffer Heavy Losses

The **BMO Capital Markets Commodity Price Index** plummeted **16.7%** in October to **174.2** (2003 = 100), with all commodity groups suffering major losses. This marked the largest one-month decline in the index's history back to January 1965. While weakening global economic growth had previously set in motion the downtrend in commodity prices, heightened financial market turmoil compounded losses.

Weak and uncertain economic growth will restrain demand and pressure prices well into 2009. The extent of downward pressure depends on the depth and duration of the U.S. recession, the degree to which activity in other regions of the world is affected, and the nature of the response by producers. For now, the negative demand-side outlook has held sway amid mounting evidence that weakness is spreading beyond the United States to other key consuming countries. However, producers are beginning to respond by deferring projects and cutting production. This trend, against a backdrop of relatively tight market balances in some cases, should provide some support for prices further out.

The **Oil & Gas Index** continued to plunge in October and early November. Signs of deteriorating economic conditions have significantly scaled back expectations about global oil consumption. While OPEC has committed to reducing its output by 1.5 million barrels per day, there is scepticism among market watchers that there will be full compliance with this objective. As a competitor in some markets, natural gas has fallen along with oil. And, pre-winter supplies have built to ample levels on strong growth in production of the commodity in the United States.

Widespread declines pushed the **Metals & Minerals Index** notably lower in October. Gold was the only metal to buck the trend with a modest gain, benefiting from its safe-haven status in times of economic uncertainty. The prospect of weaker demand, as industrial production falters in many regions of the world, continued to undercut base metals.

The **Forest Products Index** fell once again in October. Soft demand conditions for lumber and pulp in North America were made worse by difficulty in securing credit and signs of weakening economic activity. Newsprint prices received support from capacity reductions and solid export demand.

The **Agricultural Index** continued to move lower and is now well below its peak in February. An improving global production outlook and financial and economic uncertainty worked against grains and oilseeds. Hog prices slipped further on ample meat supplies in North America and weaker export demand.

### 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

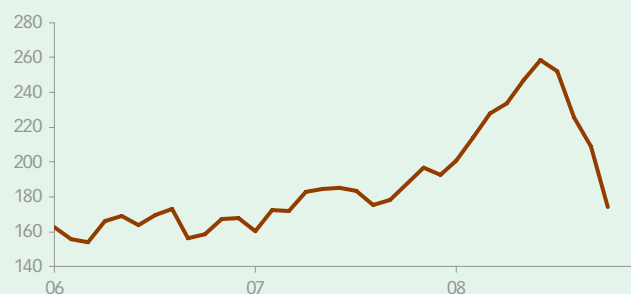
#### Christy Chen

Economist  
Christy.chen@bmo.com

1-800-613-0205  
www.bmonesbittburns.com/  
economics

### BMO Capital Markets Commodity Price Index

All Commodities Index (2003 = 100)

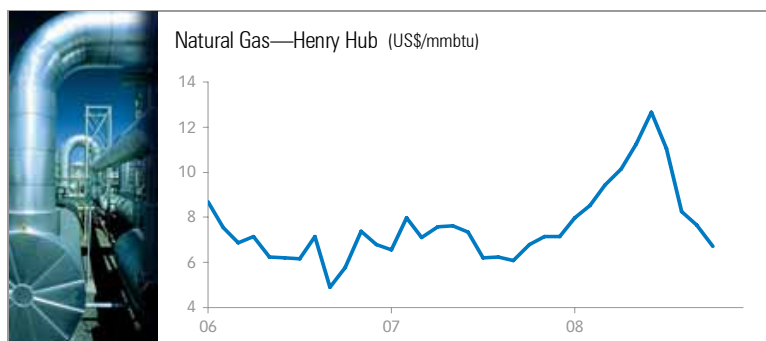
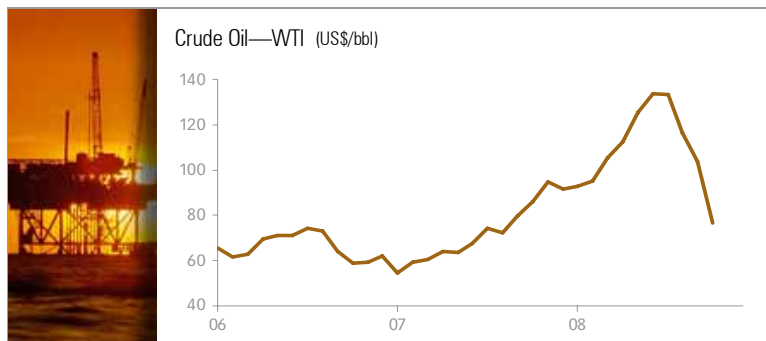


	Oct. Level (2003=100)	% Change from Mth. Ago	% Change from Yr. Ago
All Commodities	174.2	-16.7	-7.2
Oil & Gas	183.2	-22.0	-7.9
Metals & Minerals	237.5	-13.2	-11.1
Forest Products	112.6	-5.9	6.8
Agriculture	147.0	-13.1	-15.9



## Oil and Gas

**Crude Oil** Fears that deepening recessions in the United States and Europe will significantly slow the pace of industrial development in emerging markets have greased the slide in oil prices. On a monthly average basis, U.S. benchmark West Texas Intermediate (WTI) plunged 26.2% in October to US\$76.65/barrel. And, by the end of the first week in November, WTI had fallen to the \$60 mark, down close to 60% from its peak in early July. Even prior to the onset of financial market turmoil and recession, the demand for oil in developed nations had been on a declining trend, as previously rising prices and environmental considerations spurred conservation efforts and substitution by other fuels. For instance, oil demand by OECD nations fell from 49.8 million barrels per day (mmb/d) in 2005 to 49.2 mmb/d in 2007. This year, the onset of recession has accelerated the decline. The International Energy Agency (IEA) estimates that OECD consumption will fall by more than 2% to 48.1 mmb/d in 2008, with a further drop to 47.5 mmb/d in 2009. More than offsetting declining demand by developing countries, emerging markets such as China, India, Russia, Eastern Europe, Latin America, and the Middle East had substantially ramped up oil consumption during the past several years. For instance, non-OECD consumption jumped from 34.2 mmb/d in 2005 to an estimated 38.4 mmb/d in 2008 – an average annual increase of close to 4%. However, with Asia facing much weaker export markets and industrialization in Russia and the Middle East constrained by much weaker petro revenues, projections for emerging-market oil consumption are being downgraded. If OPEC were to continue to produce at its rate so far this year, oil supply in 2009 could run ahead of demand by about 1.6 mmb/d, leading to a very large inventory build. Although OPEC has recently committed to reducing production by 1.5 mmb/d, current prices are showing that the market is skeptical that the cartel's members will fully comply. Prices will likely remain highly volatile during the next year. In the absence of clear signs of production restraint from OPEC, accumulating evidence during the next few months of the severity of global economic conditions could see WTI trade down even further. Overall, we project WTI to decline from an average of \$102/barrel in 2008 to \$70 in 2009.



**Natural Gas** Despite prolonged shutdowns of natural gas operations in the Gulf of Mexico due to hurricanes Gustav and Ike, underground storage built to a comfortable 3.4 trillion cubic feet by the beginning of the heating season. This reflected strong production gains in the Barnett Shale and Rockies. Total U.S. production of natural gas rose by 8.7% on a year-to-date basis through August. Given ample supplies, oil has caught natural gas in its downdraft. U.S. benchmark Henry Hub fell 12.2% in October to a monthly average of US\$6.73 per million British thermal units (mmbtu). As is the case with oil, the deepening recession has weighed on natural gas prices, with market watchers scaling back their projections for consumption of the commodity by industry (28% of the total) and by power generators (30%). We project that Henry Hub will fall from an average of \$9.10/mmbtu in 2008 to \$7.75 in 2009. While the onset of cold weather could see prices spike higher during the next few months, the likelihood of continued robust supply increases and soft demand should prompt some easing after the winter.

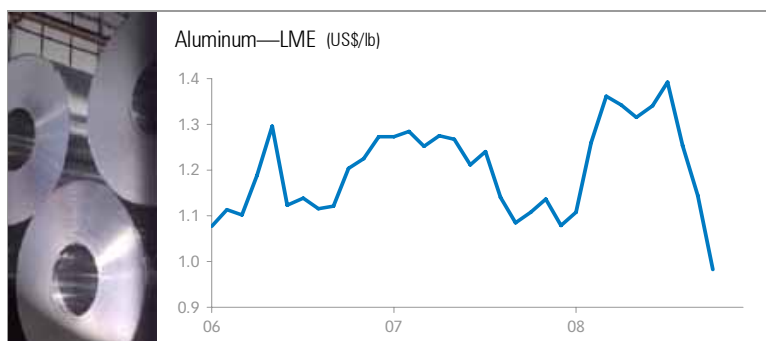
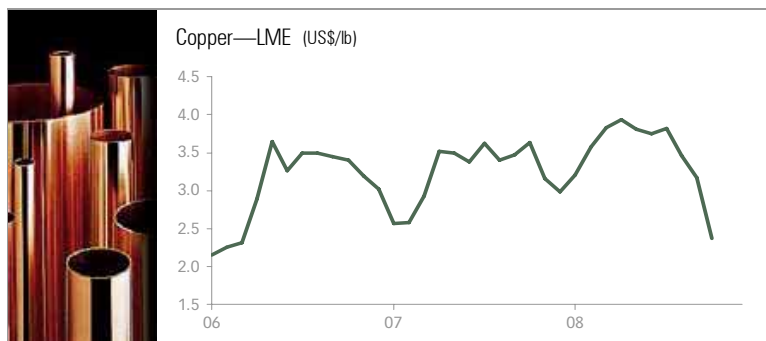
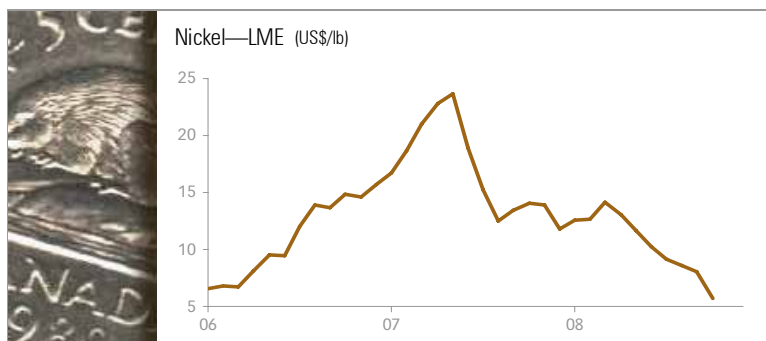


## Metals and Minerals

**Nickel** The downward trend in nickel steepened in October, as average prices tumbled by close to 30% to US\$5.67/lb., the sharpest one-month decline in decades. The drop reflected heightened turmoil in financial markets, the growing prospect of sharply slower global economic growth, and a further increase in inventories on the London Metal Exchange. Nickel has fallen roughly 60% over the past year as stainless steel producers initially depleted their inventories and substituted other materials for the metal. More recently, however, announcements of production cuts by stainless steel producers amid a deteriorating demand outlook have pushed nickel lower. Prices remain weak, hovering near the US\$5.50 mark during the first week of November, and are unlikely to register any material improvement for the rest of the year. We see nickel averaging US\$9.75/lb. for 2008 as a whole, based on high prices earlier in the year. With stainless steel producers in destocking mode for more than a year now, some restocking, along with production cutbacks among nickel producers, should shore up prices in 2009 from current levels, for an average of US\$7.00/lb.

**Copper** Another sharp increase in exchange inventories and continuing concerns about demand prospects in light of financial market turmoil and mounting evidence of

slowing economic growth were behind a 25.2% drop in average prices to US\$2.37/lb. in October. Specifically, U.S. copper consumption was adversely affected by a bleak outlook for the automotive and construction industries, key end-users of the metal. Indicative of how dominant demand-side considerations currently have been, the usually positive influence of industrial actions had little or no impact. The October average was down almost 35% from a year ago. Copper has remained soft in November and, with demand expected to remain fragile and inventories continuing to build, any gains in the near term are likely to be limited. The price of copper is projected to average US\$3.22/lb. for 2008, although in the first week of November it had fallen to the vicinity of \$1.75. However, recent poor market conditions are encouraging producers to delay projects and cut production. With stocks still fairly low relative to consumption, this trend should provide modest support for copper, with prices averaging \$2.00/lb. in 2009.

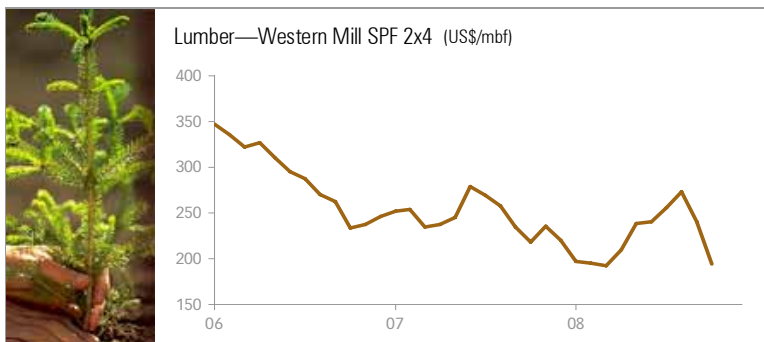


**Aluminum** suffered a further double-digit decline (14.1%) in October amid building inventories on the London Metal Exchange, a weakening global economy, and heightened turmoil in financial markets. The firmer tone to the U.S. dollar, by raising the metal's price in terms of other currencies and thus reducing demand, also played a role. For the month, aluminum averaged US\$0.98/lb., 11.1% lower than a year ago. Lacklustre demand and rising inventory levels are expected to weigh on the market in the near term. We see aluminum prices averaging US\$1.20 in 2008 and \$0.90/lb. in 2009.

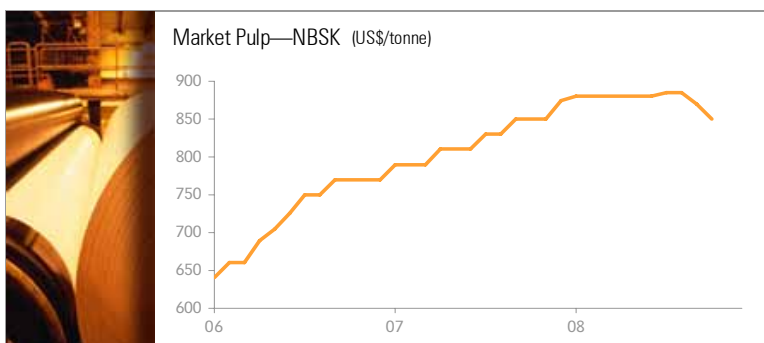


## Forest Products

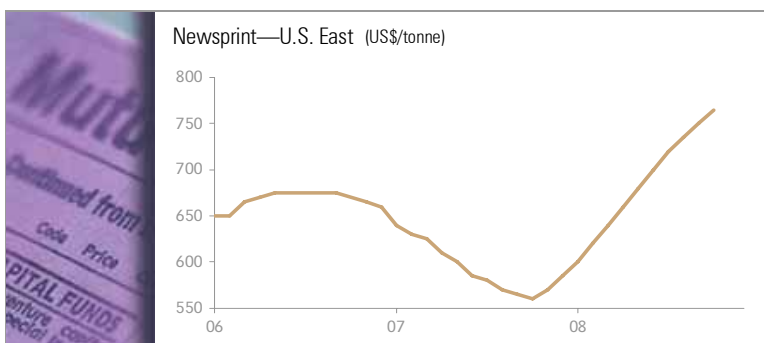
**Lumber** Western SPF 2x4 plunged 19.3% to US\$195/mbf in October, finishing near the lows reached during the early 1990s. Although this drop was partly due to a seasonal reduction in demand, weak consumption in end-use markets, difficulties in getting credit, and fears of a severe economic recession in the United States played more important roles. The weakening Canadian dollar should have helped SPF sellers. However, limited U.S. demand prevented Canadian mills from benefiting fully. Lumber consumption and capacity in North America is expected to decline through the remainder of 2008 and well into 2009 as housing starts slide further and non-residential construction weakens. This downward pressure, however, may be partially offset by increased shipments to Asia and Europe. Buyers in those regions are keen to replace Russian timber supply, which could be reduced by a new Russian tax on log exports. We forecast SPF 2x4 to average US\$218/mbf in 2008. Since prices are now at or below operating costs and inventories have been drawn down to historically low levels, lumber prices are expected to improve moderately next spring and are projected to average US\$223/mbf in 2009.



**Market Pulp** NBSK prices slipped \$20 to US\$850 in October, following a \$15 setback the previous month. Global inventories of market pulp rose to 44 days-of-supply, equivalent to about 4.7 million tonnes, probably the highest level ever recorded. In order to bring inventories more into line with consumption, North American producers announced that they would reduce production by taking downtime in November and December. Market pulp prices are projected to fall from an average of US\$860/tonne in 2008 to \$758/tonne in 2009.



**Newsprint** The U.S. East Coast benchmark entered into record territory, finishing at US\$765/tonne in October – almost 37% higher than a year earlier. Despite a 20% year-over-year slump in U.S. consumption of daily newspapers, the first monthly instalment of the \$60 planned price increase in Q4 was facilitated by solid exports. However, the uptrend in newsprint prices is expected to lose momentum, considering publishers' abundant inventories and reductions in production costs. In an effort to support prices, AbitibiBowater has announced another supply curtailment of 150,000 tonnes in 2009:Q1. We project that newsprint will average US\$703 in 2008 and US\$745 in 2009.



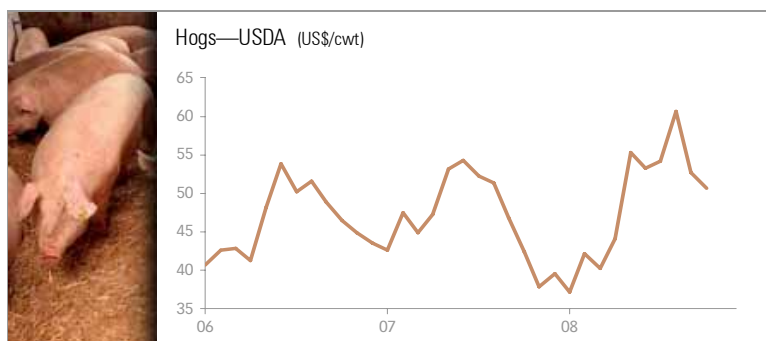
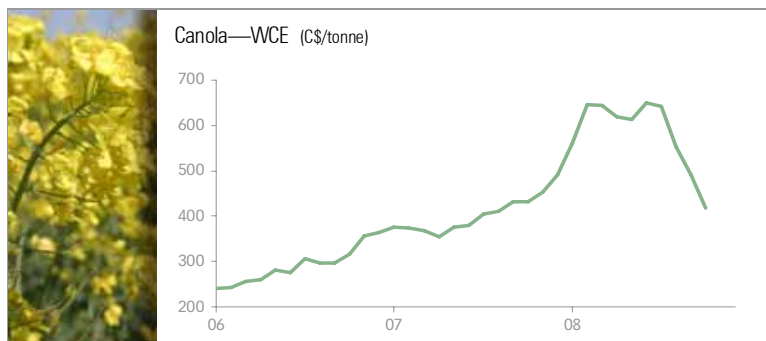
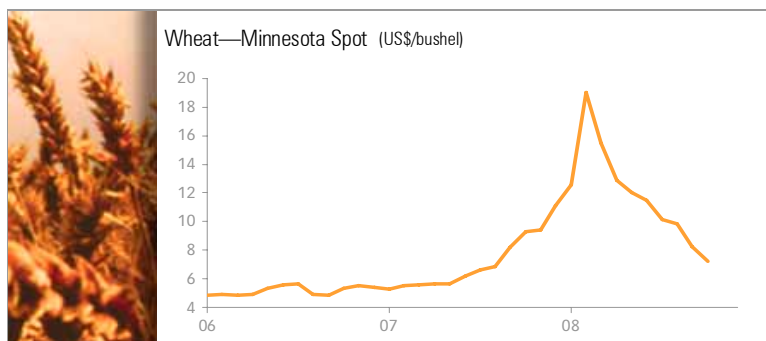


## Agricultural Products

**Wheat** Minneapolis dark spring wheat continued its steep descent in October, with average prices tumbling 12.6% to US\$7.24/bu. on an improving global production outlook, heightened competition in export markets, and financial market turmoil. Large cumulative losses in recent months – prices are down more than 60% from record highs in February – have pushed wheat almost 22% lower than a year ago. Although prices have firmed during the first week of November, they are likely to remain under pressure in the near term given expectations of large crop gains by the major exporters. Still, while forecast output increases will boost supplies, global inventories are expected to remain low relative to use, which should keep prices above historical averages. We expect wheat to average US\$11.20/bu. in 2008 – reflecting the very high prices earlier in the year – and US\$7.70/bu. in 2009.

**Canola** prices fell 14.9% in October to an average of C\$418/tonne, pulled lower by the pressure of the harvest, much-improved prospects for global oilseed crops, and reported difficulties experienced by buyers in securing letters of credit. The 2008-09 Canadian canola crop is expected to record a double-digit gain over the previous year. Retreating crude oil prices also contributed to the setback, given the growing link between oilseed and

energy markets. With last month's losses, canola all but returned to year-earlier levels, up just 3% in Canadian dollar terms in the interim. While a post-harvest bounce is likely, prices are expected to remain under pressure in the near term in light of favourable oilseed crop prospects and global financial and economic uncertainty. Further out, we see canola firming and remaining well above longer-term levels, supported by solid demand from developing countries and an expanding bio-fuel industry. Prices are slated to average around C\$575 in 2008 and C\$550 in 2009.



**Hog** prices fell 3.8% in October to US\$50.70/cwt. amid seasonally abundant supplies and signs of a drop-off in export demand for pork. Robust foreign demand for U.S. pork products has been a pillar of support for hogs so far this year, as domestic consumption has run below year-earlier levels. While foreign pork demand is still strong, it has evidently slowed. However, even with last month's decline, prices remained almost 20% higher than a year ago. Large hog numbers and a slower pace of exports are expected to weigh on prices over the next few months. Specifically, pork exports are being restrained by a firmer U.S. dollar and lower imports from key customers such as China, Mexico and Russia. However, with farmers trimming the size of their breeding herds, slower growth in market hogs will promote moderately higher prices next year. We are projecting average prices of US\$49/cwt. and US\$52/cwt in 2008 and 2009, respectively.



## Energy and Materials

		Crude Oil	Natural Gas		Lumber	Pulp	Newsprint
		(WTI)	(NYMEX near mo.)	(Alta. Express 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	109.14	9.34	8.43	223	877	687
<b>2007</b>	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
	March	105.56	9.44	8.80	193	880	640
	April	112.57	10.13	9.52	210	880	660
	May	125.39	11.26	10.05	239	880	680
	June	133.93	12.69	11.27	241	880	700
	July	133.44	11.06	9.59	256	885	720
	August	116.61	8.25	7.22	273	885	735
	September	103.90	7.67	5.99	241	870	750
	October	76.65	6.73	6.19	195	850	765
	m-t-d November	67.22	6.64	n.a.	n.a.	n.a.	n.a.
<b>Forecast</b>	2008 Avg.	<b>102</b>	<b>9.10</b>	<b>8.18</b>	<b>218</b>	<b>860</b>	<b>703</b>
	2009 Avg.	<b>70</b>	<b>7.75</b>	<b>7.10</b>	<b>223</b>	<b>758</b>	<b>745</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	3.45	1.24	0.91	10.43	886	15.87
<b>2007</b>	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
	March	3.83	1.36	1.14	14.16	971	19.49
	April	3.94	1.34	1.03	13.04	912	17.50
	May	3.80	1.32	0.99	11.67	889	17.02
	June	3.75	1.34	0.86	10.22	890	17.00
	July	3.82	1.39	0.84	9.14	939	18.02
	August	3.46	1.25	0.78	8.58	841	14.66
	September	3.17	1.15	0.79	8.07	827	12.39
	October	2.37	0.98	0.62	5.67	839	10.80
	m-t-d November	1.86	0.90	0.51	5.25	734	9.93
<b>Forecast</b>	2008 Avg.	<b>3.22</b>	<b>1.20</b>	<b>0.85</b>	<b>9.75</b>	<b>870</b>	<b>15.10</b>
	2009 Avg.	<b>2.00</b>	<b>0.90</b>	<b>0.75</b>	<b>7.00</b>	<b>825</b>	<b>11.90</b>



## 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	11.78	566	90.79	49.05
<b>2007</b>	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	89.00	42.20
	March	15.47	642	87.70	40.20
	April	12.87	611	86.60	44.10
	May	12.06	611	91.10	55.30
	June	11.46	639	92.00	53.30
	July	10.15	634	95.10	54.20
	August	9.85	527	96.10	60.60
	September	8.28	464	94.40	52.70
	October	7.24	357	88.60	50.70
	m-t-d November	7.80	360	n.a.	n.a.
<b>Forecast</b>	2008 Avg.	<b>11.20</b>	<b>540</b>	<b>91</b>	<b>49</b>
	2009 Avg.	<b>7.70</b>	<b>450</b>	<b>95</b>	<b>52</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
<b>Annual</b>							
	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
<b>Forecast</b>	2008	<b>214.2</b>	<b>245.1</b>	<b>273.8</b>	<b>113.1</b>	<b>206.1</b>	<b>161.1</b>
	2009	<b>175.9</b>	<b>182.2</b>	<b>242.4</b>	<b>113.5</b>	<b>161.4</b>	<b>153.5</b>
<b>Quarterly</b>							
<b>2007</b>	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
<b>2008</b>	Q1	214.1	234.6	289.6	106.0	259.2	153.5
	Q2	246.1	300.6	295.9	114.5	223.0	177.6
	Q3	228.8	269.3	283.5	121.7	189.2	169.6
<b>Forecast</b>	Q4	<b>168.0</b>	<b>175.7</b>	<b>226.2</b>	<b>110.0</b>	<b>153.0</b>	<b>143.8</b>
<b>2009</b>	Q1	<b>172.3</b>	<b>179.2</b>	<b>233.0</b>	<b>113.1</b>	<b>161.7</b>	<b>154.7</b>
	Q2	<b>173.5</b>	<b>174.0</b>	<b>247.3</b>	<b>114.3</b>	<b>164.3</b>	<b>156.0</b>
	Q3	<b>174.3</b>	<b>176.9</b>	<b>244.4</b>	<b>115.0</b>	<b>161.9</b>	<b>150.9</b>
<b>Monthly</b>							
<b>2007</b>	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	214.0	229.5	289.4	105.9	300.1	152.8
	Mar	227.8	253.8	311.3	106.5	258.9	162.8
	Apr	233.4	271.3	304.0	110.0	227.9	169.0
	May	246.8	302.0	294.4	116.0	222.9	176.4
	Jun	258.1	328.7	289.1	117.6	218.1	187.4
	Jul	252.0	312.8	294.6	120.8	204.0	182.0
	Aug	225.4	260.2	282.1	124.6	194.2	168.9
	Sep	209.1	234.8	273.7	119.7	169.2	157.9
	Oct	174.2	183.2	237.5	112.6	147.0	145.7

Commodity price indices and forecasts are by BMO Capital Markets Economics.

Forecasts are independent of those used by BMO Capital Markets Equity Research.

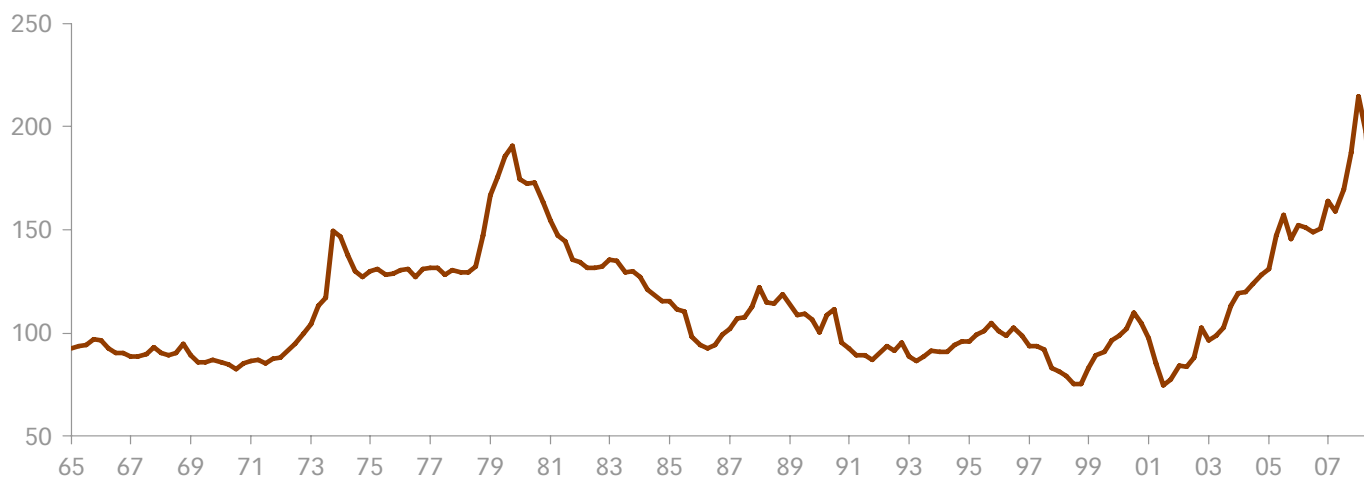


# Historical Charts: All-Commodity Index

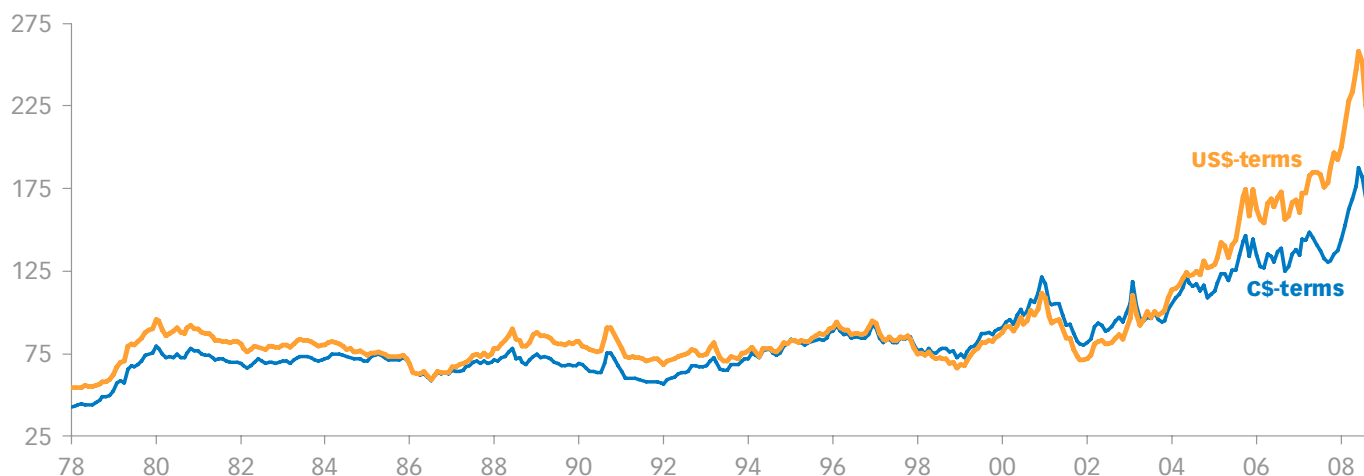
Nominal US\$-Terms (2003 = 100)



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>
Gold	3.1	14.5	Newsprint	5.0
Silver	0.4	1.9	Market Pulp	5.9
Aluminum	8.3	38.7	Supercalendered Paper	3.4
Copper	2.3	10.4	Lumber	9.3
Nickel	3.3	15.2	OSB	2.7
Zinc	1.0	4.4		
Uranium	1.1	5.0	<b>Agricultural Products</b>	<b>5.9</b>
Potash	2.1	9.8	Wheat	2.8
			Canola	1.2
<b>Oil and Gas</b>	<b>46.3</b>	<b>100.0</b>	Hogs	0.6
Crude Oil	22.7	49.1	Beef Cattle	1.3
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.