



THE Goods

A MONTHLY COMMODITY WATCH



BMO  Capital Markets

Commodity Sell-off Continues Apace

Many are trading below average operating costs

The **BMO Capital Markets Commodity Price Index** suffered yet another double-digit decline in December, tumbling **12.9%** to **134.7** (2003 = 100). The setback – the sixth in as many months and the fourth of double-digit magnitude – was once again paced by hastily retreating energy prices, although all other commodity sub-categories registered declines. From its peak in June, the all-items commodity price index gave back all of its gains of the previous three and a half years.

Evidence of deepening, prolonged recessions in North America and most other parts of the globe will sustain a weak tone to commodities through much of 2009. Just as excess enthusiasm pushed prices well above fundamental levels on the way up, fear has now brought the prices of some commodities to levels below cash operating costs. This is leading to the deferral or outright cancellation of resource projects and the curtailment of production, potentially generating a supply squeeze once global macroeconomic conditions improve in 2010.

The **Oil & Gas Index** continued to free-fall in December on mounting evidence of a deteriorating global economy. In particular, signs of rapidly weakening exports and production in emerging markets such as China and India weighed heavily on the oil market. Natural gas fell in sympathy with oil, a competitor in some end markets. It also softened on its own fundamentals – weakening demand from power generators and industry and rising U.S. output.

The **Metals & Minerals Index** continued its descent in December. However, performance was mixed, with precious metals advancing and base metals in retreat. A weak global economy and softer tone to the U.S. dollar lifted gold. In contrast, base metals prices were undercut by rapidly rising inventories amid faltering industrial production in many parts of the world, despite new announcements of output curtailments.

The **Forest Products Index** retreated further in December. Production cuts in lumber and pulp mills failed to keep pace with consumption declines in North America. Rising inventories have increased downside risk to the prices of these commodities. Newsprint, previously supported by capacity rationalization, bowed to sharp losses in domestic consumption and edged down after a one-year rally.

The **Agricultural Index** gave up some ground in December on softer prices for canola and cattle. The former was weighed down by weakness in soybeans and a large Canadian crop while the latter slipped on ample supplies for slaughter and falling consumption.

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)



| | Dec. Level (2003=100) | % Change from Mth. Ago | % Change from Yr. Ago |
|-------------------|--------------------------|---------------------------|--------------------------|
| All Commodities | 134.7 | -12.9 | -30.0 |
| Oil & Gas | 118.5 | -22.3 | -43.8 |
| Metals & Minerals | 206.7 | -5.1 | -19.3 |
| Forest Products | 102.4 | -5.7 | -4.7 |
| Agriculture | 143.6 | -2.1 | -27.5 |

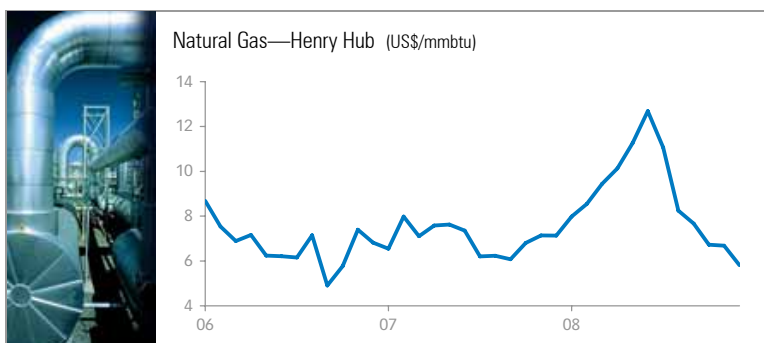
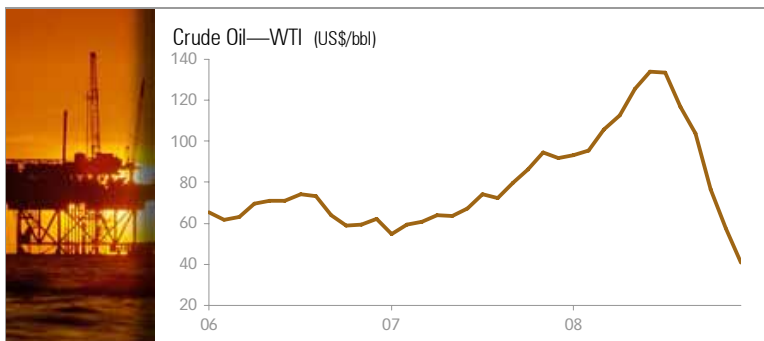


Oil and Gas

Crude Oil Oil prices continued to slide in December, with West Texas Intermediate (WTI) averaging US\$41.02/b, down 28.6% from November and 55.3% from a year earlier. WTI actually plunged to the \$32 mark late in December before staging a modest increase to the vicinity of \$35 at mid January. Within its \$30-\$50 trading range of the past month, WTI has been very volatile, as markets assess opposing demand and supply forces. On one side, deteriorating global economic conditions are prompting reduced estimates of demand and putting downward pressure on prices. On the other side, turmoil in the Middle East, declining investment in exploration and development, and substantial production cuts announced by OPEC have raised concerns about supply. So far, demand-side worries are prevailing, lending a weak tone to spot prices. However, supply issues are playing a larger role in price expectations further out, with the 2010 swap price running in the vicinity of \$60. Market participants are likely mulling the fact that OPEC, after it makes significant production adjustments – either up or down – is slow to unwind them once market conditions change. Thus, there is the potential for a supply squeeze to develop next year once global economic conditions and the demand for oil begin to improve. On balance, we project that WTI will average \$45/b in 2009 and \$65 in 2010. Further out, as demand pressures rebuild in emerging markets and production from existing fields declines, prices will have to rise further to support the economics of developing additional supplies in relatively high-cost oil sands and deepwater resources.

Natural Gas prices have fallen in step with oil, a substitute in some end-uses such as power generation, space heating, and industrial processes. In December, Henry Hub fell 13.1% to an average of US\$5.81 per million British thermal units (mmbtu). The much sharper decline in oil prices since the summer lowered the oil-to-gas ratio from an exceptionally high 14:1 in August to 7:1 in December. Although a barrel of WTI contains about six times the energy as a standard unit of Henry Hub (mmbtu), the ratio has tended to run well above six as natural gas is not a meaningful competitor in one of the largest end uses of oil, transportation. Also, given the relatively small contribution to the North American market of imports of liquefied natural gas (LNG), prices do not have the geopolitical risk premium assigned to oil. Although natural gas prices soared during the first half of 2008 in response to a

cold winter and skyrocketing oil, they subsequently dropped sharply as the weakening economy dampened the demand for power generation and industrial process heating. A temperate summer also trimmed the air-conditioning demand for power. Further, U.S. production of natural gas increased sharply in 2008, reflecting heavy investment in resource plays such as the shale reserves in Texas. Overall, we project Henry Hub to average \$6.00/mmbtu in 2009, compared to \$8.86 last year. The recent disruption of Russian natural gas to many parts of Europe could temporarily boost North American prices as LNG shipments are diverted to higher-price markets. However, substantial new LNG liquefaction capacity is scheduled to hit the market later in the year, potentially lowering LNG prices and bringing more product to North America. That would be timely, given falling production in Canada (which supplies approximately 17% of the U.S. market) and a likely, if moderate, recovery in industrial activity next year. Thus, we expect Henry Hub to rise to an average of \$7.25/mmbtu in 2010, with some support from slower growth in natural gas output, as current weak prices and the credit squeeze reduce exploration and development investment.





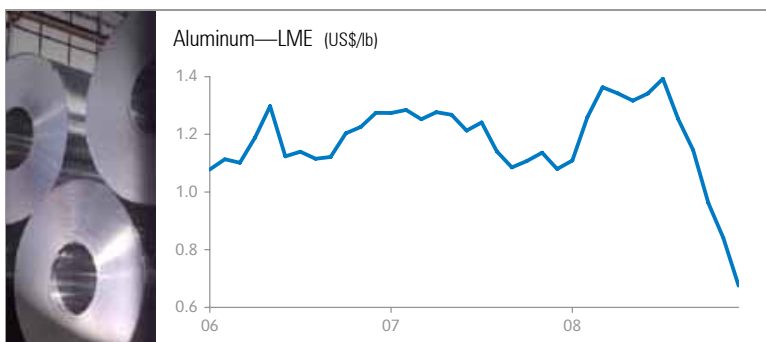
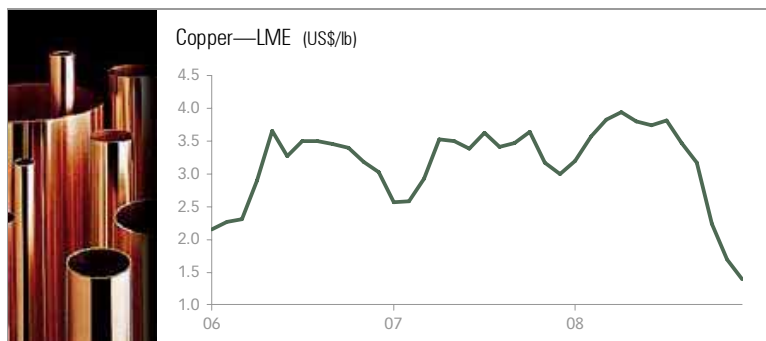
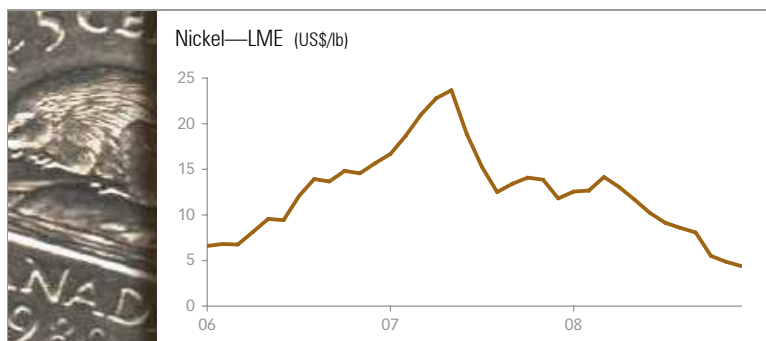
Metals and Minerals

Nickel The downtrend in nickel remained intact in December, as average prices fell 9.5% to US\$4.39/lb. on a deepening global recession and a further large increase (23%) in LME inventories. Nickel gave up more than 60% of its value over the past year, as consumption, primarily by stainless steel producers, continued to shrink. In view of the depressed state of demand, inventories have been mounting and now stand at their highest level in a decade. However, the bulk of the weakness in nickel is likely in the past. With recent prices below average cash costs for a significant portion of the industry, a number of producers have announced plans to curtail production. Indeed, nickel has strengthened notably through the first half of January. Although the downbeat global economic climate is expected to suppress demand, particularly during the first half, production cuts among nickel producers should shore up prices from recent levels. We see nickel averaging \$5.70/lb. in 2009, down markedly from \$9.57/lb. in 2008. A moderate global economic recovery, aided by fiscal and monetary stimulus, should help lift the annual average to \$6.50/lb. in 2010.

Copper A double-digit gain in LME inventories and deepening concerns about demand prospects prompted another sharp (-17.4%) drop in prices to US\$1.39/lb. in

December. With sentiment hit by ongoing weakness in auto sales, depressed housing markets, and shrinking industrial production, Chinese purchases to boost strategic reserves were ignored. Over the past year, copper fell 53% to an average of \$3.15/lb., with all of the losses coming in the second half. A firming pattern has been evident in January, with prices averaging \$1.48/lb. through mid-month. However, with demand remaining subdued and inventories continuing to build, any near-term gains will be limited. The current weak pricing environment is pushing producers to defer projects and cut output. This trend, along with the expected positive impact of fiscal and monetary stimulus, should provide some support for copper later this year and in 2010. We project that prices will average \$1.70/lb. in 2009 and \$1.90/lb. in 2010.

Aluminum plunged 19.5% in December amid a further large build in LME inventories (29%), weak demand from the distressed automotive and housing sectors, and retreating energy prices. For the month, aluminum averaged US\$0.68/lb. – 37.4% lower than a year ago – returning to late-2003 levels. Additional production cuts were announced but failed to provide any price lift in a market that is amply supplied. LME inventories are currently at their highest level in fourteen years. Unlike copper and nickel, which have firmed so far in January, aluminum has moved sideways. A lack of demand and rising inventories are expected to continue weighing on the market for much of the next year. We project that prices will average \$0.85/lb. in 2009, well down from \$1.17/lb. in 2008, before rising to \$1.00/lb. in 2010 on moderately firmer demand growth.





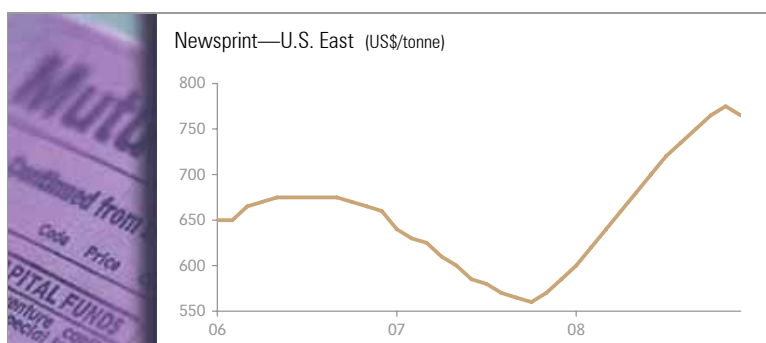
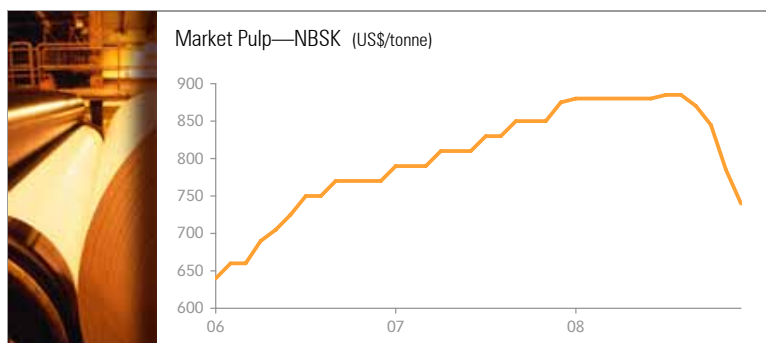
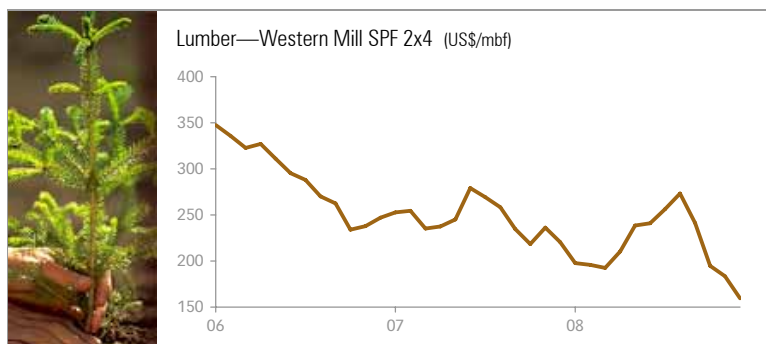
Forest Products

Lumber Western SPF 2x4 plummeted 13% to US\$160/mbf in December, returning to levels last seen during the mid-1980s before adjusting for inflation. Plunging lumber consumption in North America, due to collapsing residential construction and very weak economic conditions, was the biggest driver. Reflecting the dire state of the housing sector, total lumber consumption in the United States and Canada in November dropped 11% year-over-year. Even though production cutbacks have been implemented, these have failed to keep pace with waning demand, keeping lumber prices on a downward trend. This year is very likely to be another tough year for lumber producers, with U.S. housing starts expected to fall to a mere 590,000 units, non-residential construction retrenching, and expenditures on residential improvements sliding amid the ongoing deep recession and the credit squeeze. We project that Western SPF 2x4 will average US\$195 in 2009 before firming to US\$230 in 2010 on improving demand conditions.

Market Pulp NBSK slid for the fourth consecutive month, with a fall of US\$45 to US\$740/tonne in December. Prices

have fallen \$145 since August. Although market pulp production has been declining – it dropped sharply in November, with global supply only about 83% of the capacity in 20 major producing countries – it has not been enough to offset the decreases in demand. Pulp inventories reached 51 days of supply at the end of November, substantially higher than its 20-year-average of 32.6 days. Amid a deep recession, demand for printing and writing paper in North America is expected to remain weak in 2009, which is quite negative for market pulp consumption. Pulp exports to Asia are also likely to be tepid as the Chinese economy is slowing. NBSK prices are projected to average US\$663 in 2009, down almost 23% from 2008. A gradual improvement in economic conditions and pulp demand in 2010 should lift the average price to US\$678.

Newsprint The U.S. East Coast benchmark slipped \$10 to US\$765/tonne in December, ending monthly increases through the rest of 2008 that lifted newsprint prices to record territory. Nevertheless, last month's price remained 31% higher than a year ago. Looking further ahead, shrinking daily newspaper consumption – it has recorded year-over-year declines at double-digit rates over the past 12 months – is expected to weigh heavily on newsprint prices. Also, falling production costs and growing concerns over the financial viability of several newspapers should encourage suppliers to adopt a more obliging pricing strategy. We anticipate that newsprint prices will average \$700/tonne in 2009 – virtually identical to its 2007 average – and then decline to \$668 in 2010, despite a series of capacity closures announced by some major producers.



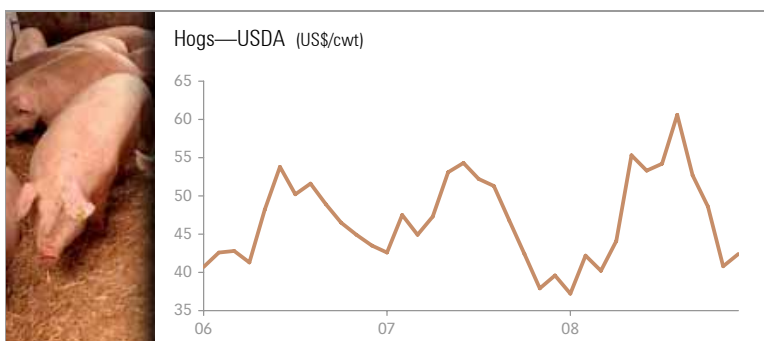
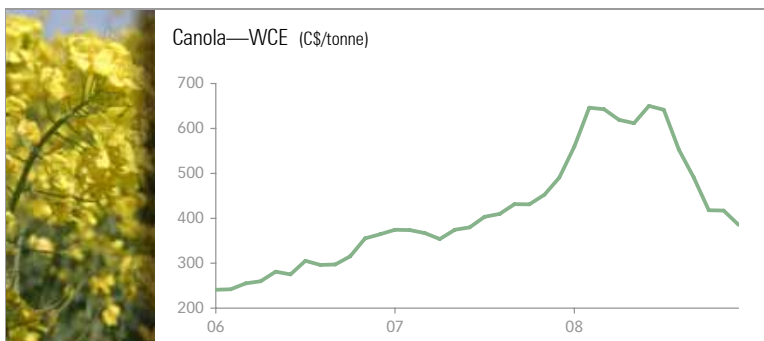
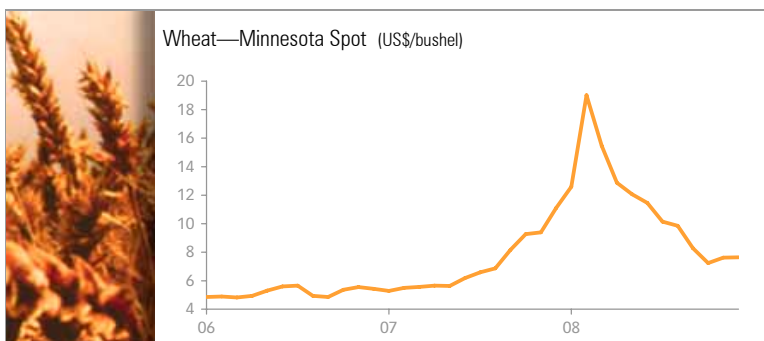


Agricultural Products

Wheat The price of Minneapolis dark spring wheat edged up a meagre 0.3% in December to an average of US\$7.65/bu., supported by lingering concerns about the quality of crops in Australia and Argentina. The monthly average remained 31% lower than a year earlier when prices were on a sharp upward path to a record high in February. Since then, wheat has endured a precipitous decline, losing roughly 60% of its value through the end of the year. However, over the past few months, prices have shown a firming pattern, which held in January amid a reported reduction in U.S. winter wheat acreage. We think that the downside is limited. Even with an expected large increase in the 2008-09 crop, global inventories will remain low relative to consumption. Moreover, the recent sharp decline in prices is expected to trim planted acreage for the 2009-10 crop year. We project that wheat will average \$7.80/bu. in 2009 and \$8.00/bu. in 2010. While down considerably from \$11.19/bu. in 2008, the prices expected over the next couple of years would nevertheless remain well above the average of \$4.50/bu. over the 1998-2007 interval.

Canola fell 7.6% in December to C\$386/tonne, pushed lower by a record large Canadian crop, declines in soybean prices, tumbling crude oil prices (given the link between oilseed and energy markets), and ongoing financial market turmoil. Prices, in Canadian dollar terms, now stand 21% below year-earlier levels. In the near term, canola is expected to remain under pressure in view of ample supplies, soft crude oil prices, and weak and uncertain global economic conditions. Further out, we see canola firming and remaining well above longer-term historical levels, supported by a reduction in planted acreage, solid demand from developing countries, and further expansion of the bio-fuel industry. We anticipate that prices will average \$505 in 2009, down from \$565 in 2008, before rising to \$530 in 2010 on an improvement in the global economic environment.

Hog prices rose 3.9% in December to US\$42.40/cwt., lifted by a continued reduction in both breeding and market herds, a decline in farrowing, a drop-off in shipments from Canada, and a decision by Mexico to resume imports from some U.S. meat plants. Specifically, the U.S. Department of Agriculture (USDA) indicated in a recent report that the U.S. breeding herd has been falling since June 2008. Over the past year, hog prices rose 7.1% on the back of robust foreign purchases of U.S. pork products. While trade prospects have dimmed with the onset of global recession and a recovery of Chinese production, pork exports are expected to remain relatively healthy. In addition, the USDA is projecting lower hog inventories, reduced slaughter, and an increase in per capita pork consumption in 2009. All told, we see hog prices rising moderately from \$48/cwt in 2008 to \$51 in 2009 and \$52 in 2010.





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 | |
| 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 |
| 2008 | | 99.57 | 8.86 | 8.09 | 215 | 858 | 701 |
| y-t-d 2009 | | 42.39 | 5.70 | 6.06 | 162 | n.a. | n.a. |
| 2008 | 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 | 845 | 765 |
| | November | 57.44 | 6.69 | 6.30 | 183 | 785 | 775 |
| | December | 41.02 | 5.81 | 6.27 | 160 | 740 | 765 |
| | m-t-d January | 42.39 | 5.70 | 6.06 | 162 | n.a. | n.a. |
| Forecast | 2009 Avg. | 45.00 | 6.00 | 5.60 | 195 | 663 | 700 |
| | 2010 Avg. | 65.00 | 7.25 | 6.70 | 230 | 678 | 668 |

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 | | |
| 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 |
| 2008 | | 3.15 | 1.17 | 0.85 | 9.57 | 872 | 15.01 |
| y-t-d 2009 | | 1.46 | 0.68 | 0.56 | 5.28 | 847 | 11.05 |
| 2008 | 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 | 2.23 | 0.96 | 0.59 | 5.50 | 810 | 10.43 |
| | November | 1.69 | 0.84 | 0.52 | 4.85 | 758 | 9.83 |
| | December | 1.39 | 0.68 | 0.50 | 4.39 | 818 | 10.29 |
| | m-t-d January | 1.46 | 0.68 | 0.56 | 5.28 | 847 | 11.05 |
| Forecast | 2009 Avg. | 1.70 | 0.85 | 0.65 | 5.70 | 845 | 11.20 |
| | 2010 Avg. | 1.90 | 1.00 | 0.75 | 6.50 | 875 | 12.50 |

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Agriculture

| | | Wheat | Canola | Cattle | Hogs |
|-----------------|---------------|-------------|------------|-----------|-----------|
| | | US\$/bushel | US\$/tonne | | US\$/cwt |
| | 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 |
| | 2008 | 11.19 | 528 | 89.33 | 47.63 |
| | y-t-d 2009 | 11.14 | 528 | n.a. | n.a. |
| 2008 | 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 | 87.90 | 48.60 |
| | November | 7.62 | 342 | 84.90 | 40.80 |
| | December | 7.65 | 312 | 79.90 | 42.40 |
| | m-t-d January | 7.80 | 355 | n.a. | n.a. |
| Forecast | 2009 Avg. | 7.80 | 415 | 90 | 51 |
| | 2010 Avg. | 8.00 | 460 | 92 | 52 |

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Commodity Indices and Forecasts

US\$-terms : 2003 = 100

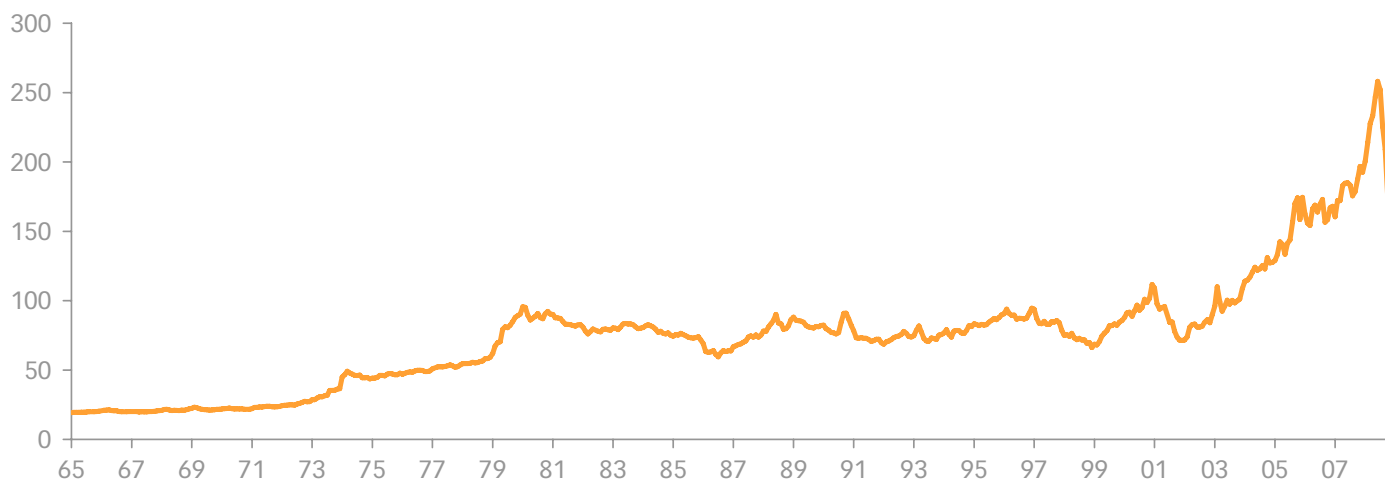
| | | All Commodities | Oil & Gas | Metals & Minerals | Forest Products | Agricultural Products | All Commodities | |
|------------------|-------------|--------------------|--------------|----------------------|--------------------|--------------------------|--------------------|--------------|
| | | | | | | | C\$-terms | |
| Annual | | | | | | | | |
| | 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 | |
| | 2008 | 210.9 | 239.0 | 272.3 | 112.5 | 204.2 | 158.4 | |
| Forecast | 2009 | 142.9 | 126.5 | 225.4 | 100.8 | 158.4 | 127.1 | |
| | 2010 | 169.4 | 169.7 | 247.3 | 106.0 | 164.9 | 141.7 | |
| Quarterly | | | | | | | | |
| | 2007 | 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 |
| | 2008 | 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 |
| Forecast | | Q4 | 154.4 | 151.4 | 220.4 | 107.8 | 145.5 | 133.0 |
| | 2009 | Q1 | 139.8 | 127.0 | 211.8 | 100.7 | 151.5 | 125.9 |
| | | Q2 | 142.6 | 122.4 | 231.9 | 100.8 | 161.0 | 129.4 |
| | | Q3 | 141.8 | 122.2 | 226.8 | 102.3 | 161.5 | 125.8 |
| Monthly | | | | | | | | |
| | 2007 | Dec | 192.6 | 210.7 | 256.2 | 107.5 | 198.1 | 137.7 |
| | 2008 | 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 | 173.9 | 183.2 | 236.5 | 112.4 | 146.3 | 145.5 |
| | | Nov | 154.7 | 152.5 | 217.9 | 108.6 | 146.6 | 134.7 |
| | | Dec | 134.7 | 118.5 | 206.7 | 102.4 | 143.6 | 118.8 |

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

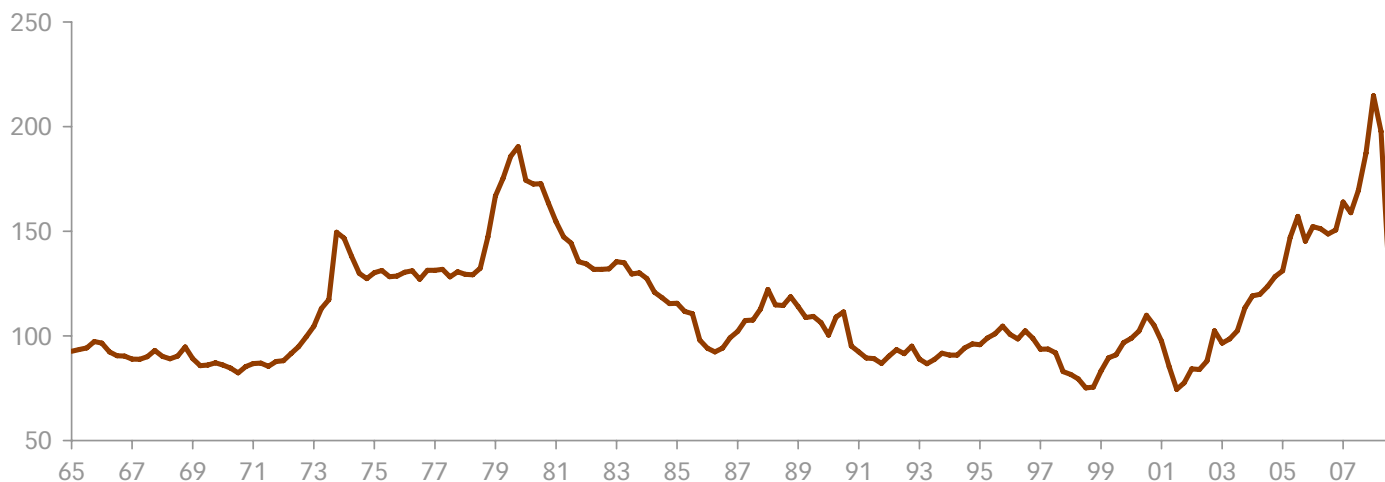


Historical Charts: All-Commodity Index

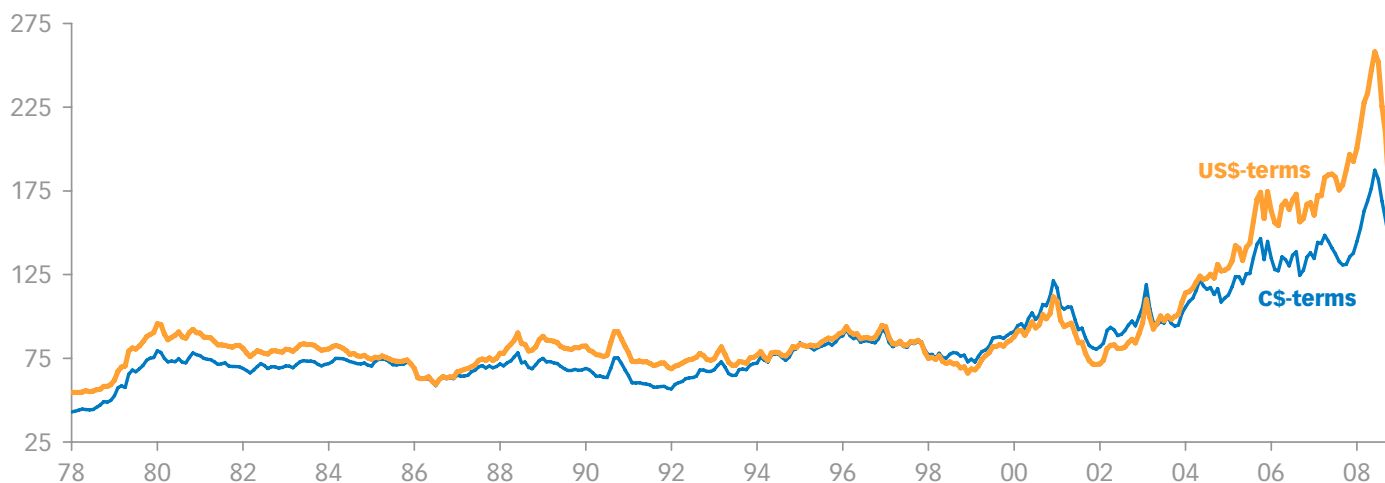
Nominal US\$-Terms (2003 = 100)



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 |
|------------------------------|---------------------------------------|------------------------|---------------------------------------|------------------------|
| Metals & Minerals | 21.5 | 100.0 | Forest Products | 26.3 |
| 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 | Agricultural Products | 5.9 |
| Potash | 2.1 | 9.8 | Wheat | 2.8 |
| | | | Canola | 1.2 |
| Oil and Gas | 46.3 | 100.0 | Hogs | 0.6 |
| Crude Oil | 22.7 | 49.1 | Beef Cattle | 1.3 |
| Canadian Natural Gas | 23.6 | 50.9 | | |
| | | | All Commodities | 100.0 |

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

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