

PwCCF Credit Barometer



Cage Fight – Bulls vs Bears

It was another week of equity and credit market strength combined with grim economic news – a curious relationship that has prompted most to ponder if we are among green shoots or weeds.

This week, PwCCF provides a précis of some of the key bull and bear views to assess the potential depth and breadth of the market recovery.

	May 22, 2009	Crisis Extreme	Sept 1, 2008	Pre-Crisis Extreme ¹	Week-over-Week
CDN\$ / US\$	\$0.893	\$0.771	\$0.936	\$1.091	▲
S&P 500	887	677	1,278	1,565	▼
S&P / TSX	9,993	7,567	13,300	15,073	▲
LIBOR ²	0.66%	4.82%	2.81%	1.11%	▼
TED Spread ³	0.49%	4.64%	1.10%	0.14%	▼
S&P / LSTA ⁴	1,197	895	1,293	1,335	▼
CBOE VIX ⁵	33	81	21	10	▲
Baltic Dry Index ⁶	2,707	663	6,691	11,793	▲
WTI Crude Oil ⁷	\$61.67	\$33.87	\$111.55	\$146.85	▲

Source: Bloomberg

Notable Events this Week

- The US Federal Reserve releases a new FY 2009 forecast. Under the new projections, the economy is expected to shrink between 1.3%-2.0% this year, up from the initial forecast decline of 0.5%-1.3% and the unemployment rate is expected to potentially rise to 9.6%, up from the initial forecast of 8.8%. Federal Reserve officials are also considering raising the amount of Treasury and mortgage-related securities that they will purchase beyond the \$1.75 trillion already committed in order to spur a more rapid pace of recovery.
- The US Commerce Department announces that Housing Starts fell by 12.8% month over month in April 2009 to a record low pace of 458,000 after a 10.8% month over month fall in March 2009. Starts were down 54.2% year over year in April. Building permits, an indicator of future construction, fell by 3.3% month over month to a record low of 494,000.
- GM of Canada informs almost two-fifths of its dealers that their sales-and-service relationships with the auto maker will end. A spokesperson said letters were being sent to about 245 of GM Canada's 709 dealerships, and further consolidation is expected to increase the number of shuttered locations beyond that number by the end of 2010. South of the border, GM announced plans to close 1,100 of its 6,000 dealerships by late next year.
- GM reaches a cost-cutting deal with the Canadian Auto Workers (CAW) union, paving the way for Canadian governments to join Washington in a restructuring of the auto giant. The deal will make GM Canada's labour costs competitive with Japanese-owned auto makers in Canada. Further details are pending and the tentative agreement must be approved by GM unionized workers in voting this weekend. CAW president Ken Lewenza warned Thursday that GM's Canadian operations could face liquidation if the company did not have a Canadian labour agreement as part of its restructuring plan.
- Canadian Industry Minister Tony Clement states that the "Buy American" provisions in President Obama's economic stimulus bill are increasingly "slamming the door" on Canadian companies looking to bid on US contracts: "What's happened is, these provisions seem to be expanding in scope, and they're cascading down the system." Mr. Clement also pointed to pending legislation in Congress that will expand the Buy American provisions to non-stimulus spending.

1. Over five-year period.

2. BBA US LIBOR, three month.

3. Difference between rates on interbank loans and three month US Treasuries. Indicator of perceived credit risk.

4. Mirrors market weighted performance of leveraged loans. Tracks returns in leveraged loan market.

5. An expectation of the market's 30-day volatility, measured by tracking the money calls on companies in the S&P 500. Historically, VIX values greater than 30 are associated with high volatility and values below 20 are associated with low volatility.

6. An indicator that predicts future economic activity by measuring global shipping supply and demand for commodities, such as building materials and coal.

7. West Texas Intermediate (WTI), also known as Texas Light Sweet, is a type of crude oil used as a benchmark in oil pricing and the underlying commodity of New York Mercantile Exchange's oil futures contracts.

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Notable Events this Week (cont'd)

- The US dollar falls to an eight-week low against the yen on speculation the Federal Reserve will boost purchases of assets to counter the global slump. The US dollar traded near the lowest level versus the euro since January, and the Canadian dollar gained as crude oil prices rose above \$62 a barrel, encouraging demand for currencies of commodity producers. South Africa's rand and Brazil's real were among emerging-market currencies gaining against the US dollar on increased demand for assets in developing countries.
- Canadian Finance Minister Jim Flaherty introduces nine new proposed credit card regulations mandating more transparency for consumers on "fine print" matters such as usage fees and disclosure of interest rates, but the moves stopped short of regulating fees and rates charged. The regulations would mandate a minimum 21-day interest-free grace period on all new transactions, require card issuers to clearly display information about grace periods and interest rates in a summary box on bills, and a clear indication of how long it would take people to pay off their balances in full, if they only made the minimum payments every month.
- This week the VIX index fell to 33, its lowest level since September 12, the last session before Lehman filed for bankruptcy. According to Neil Davies, a volatility trader and head of structured equity products at SunTrust Robinson Humphrey Capital Markets, *"There's more comfort, there's more clarity, there's less fear, there's less panic. Options are getting cheaper because people don't feel like they need as much protection as they did in February."*
- President Obama announces that automakers must meet average US fuel-economy standards of 35.5 miles per gallon by 2016, four years sooner than previously planned. Obama said the new policy will save consumers money at the gas pump, reduce greenhouse gas emissions, and slow the flow of dollars going overseas to buy oil. Some argue that Americans won't buy higher-mileage cars as long as gasoline remains at \$2 per gallon or lower.
- India's rupee closed at a five-month high as prospects of a stable government improve the outlook for growth and capital inflows. The biggest election win for Prime Minister Manmohan Singh's Congress party-led alliance in two decades may help attract \$19 billion into Indian stocks in the year ending March 31, according to Barclays. The Indian currency's 5.5% gain this month is the best performance among the 10 most-active currencies in Asia outside Japan and many anticipate further strengthening.
- Treasury Secretary Timothy Geithner said the Obama Administration is committed to reducing its budget deficit after concerns that the US debt rating may be threatened with a downgrade. In an interview with Bloomberg Television, Geithner added that the rise in Treasury bond yields *"is a sign that things are improving"* and that *"there is a little less acute concern about the depth of the recession,"* cautioning that the economic recovery is still in the "early stages." *"These early signs of stability are very important"* although *"this is still a very challenging period for businesses and families across the United States."* Moody's echoed the sentiment saying it's comfortable with the triple-A sovereign rating on the US, but it is not guaranteed forever.
- Several major banks that underwent government "stress tests" have asked to repay the TARP funds. However, the US government has yet to announce how it will decide who gets to repay the bailout first and what will be required before allowing repayment of tens of billions of dollars. Among those seeking to repay are: Goldman, JPMorgan, American Express Co, Bank of New York Mellon Corp, BB&T Corp, Capital One Financial Corp, State Street Corp and US Bancorp.
- The United Auto Workers strike a deal with General Motors and the US government to cut labour costs, close factories and change the way retiree health care is funded. The agreement could ease the heavy cost of its workforce, but GM is still struggling with debt that may drive it into a bankruptcy. GM's next step is to persuade at least 90% of bondholders to sign on for the stock-for-debt exchange, however, many expect the offer which would wipe out \$27 billion in unsecured debt will be shunned.
- S&P puts UK's 'AAA' sovereign debt rating on negative watch as it foresees UK public debt rising to 100% of GDP in the medium-term. Gilt yields have risen on concerns of increased supply as government spending increases to boost the ailing UK economy. Worries over the rapid worsening of the public finances multiplied as official data showed that the Treasury borrowed £8.5 billion last month. This was a record for any April, and more than four times the £1.8 billion figure for the same month last year.

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Notable M&A and Financings this Week

- NetApp, a data storage provider, agrees to buy Data Domain, a data backup company, for \$1.5 billion in cash and stock, representing a 39.6% premium over the closing share price on Wednesday. *"This combination is a great opportunity, as NetApp has the distribution channels and international reach to offer Data Domain products to more customers, accelerating growth and market adoption."*
- Novartis agreed to purchase the injectable generic cancer drug business of Austria's Ebewe Pharma for \$1.2 billion in cash. In a strategy common amongst major drug makers, Novartis is working to bolster its generics portfolio and development pipeline to offset the loss of revenue from expiring patents on some of its best-selling medicines.
- Viterra, Canada's largest grain handler offers to purchase Australian rival, ABB Grain, for C\$1.46 billion in cash and stock. ABB said Viterra offered between C\$7.80 to C\$8.25 a share, 36% more than its closing price Monday. According to Viterra's chief Mayo Schmidt, *"the deal will create a leading global food ingredients supplier at a time when markets are expanding."*
- Quicksilver Resources sells a portion of its leaseholds in a Texas natural gas field, the Barnett Shale, to the Italian oil company Eni for \$280 million. Quicksilver is planning to use the cash to pay down part of its \$2.7 billion in debt.
- Banks earmarked as needing capital by the US stress tests begin to raise funds with Bank of America raising \$13.5 billion through a share sale and Regions Financial announcing plans to raise \$1.25 billion in new stock .
- In China's largest ever bond issue, the Agricultural Bank of China raises \$7.3 billion to shore up its capital base as it prepares for an initial public offering in Shanghai and Hong Kong.
- CanWest Global receives an injection of operating capital; and sets a timeline for its restructuring. The company reached an agreement with its bondholders, who are purchasing \$100 million of its senior secured notes. CIT Business Credit has agreed to provide a \$75 million new senior credit facility. The \$175 million of new money provides CanWest with operating funds while it negotiates a refinancing with its banks, bondholders and potential new investors. A portion of the funds will be used to pay down a \$112 million credit facility.
- Petroleo Brasileiro SA, Brazil's state-controlled oil company, seeks additional loans from China after signing a contract to receive \$10 billion in exchange for oil supplies to China Petroleum & Chemical Corp, Asia's biggest refiner. Petroleo wants to spend \$174 billion over the next five years. *"The US has a problem. There isn't someone in the US government that we can sit down with and have the kinds of discussions we're having with the Chinese,"* said Sergio Gabrielli, Petroleo's CEO. China is securing energy resources to power its economy and is offering loans to other oil-producing countries including Russia, Venezuela and Kazakhstan.
- Rio Tinto's major Australian stakeholders demand changes in the planned \$19.5 billion tie-up with China's state-owned Chinalco due to concern about China's undue influence on the pricing of strategic commodities. The tie-up which would double Chinalco's equity stake to 18% may be restructured to secure government and shareholder approval.
- Dow Chemical divests calcium chloride business and interests in TRN Refinery in two separate sale agreements totaling in excess of \$900 million. The sales are part of Dow's de-leveraging plan with sales of non-strategic assets announced so far this year now totaling in excess of \$2.6 billion, well ahead of the Company's original divestment plan.

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**Notable Restructurings and Insolvencies this Week**

- BankUnited sells its deposits to a consortium of private equity funds, making it the largest bank failure this year costing the Federal Deposit Insurance Corp. (FDIC) an estimated \$4.9 billion. With \$12.8 billion in assets and \$8.6 billion in deposits, Florida's largest bank is the second-costliest bank failure of the financial crisis, trumped only by IndyMac Bank, an estimated cost to the FDIC of \$11 billion.
- Diagnostic products developer Nanogen Inc. files for voluntary bankruptcy protection with plans to sell its assets to France's Elitech Group for \$25.7 million. The San Diego-based company that develops molecular in-vitro diagnostic products to diagnose cardiovascular and infectious diseases listed assets of \$14.7 million and debts of \$41.5 million as of March 27 in its filing. Since it went public in 1998, the company has accumulated more than \$400 million in losses.
- ICO Global Communications Holdings Ltd.'s subsidiary DBSD North America Inc. files a prepackaged bankruptcy plan to restructure its \$750 million of convertible notes due in August 2009. DBSD stated assets of about \$630 million and total outstanding debt of about \$813 million, as on March 31 and May 15, respectively. ICO Global is not involved in the Chapter 11 reorganization.
- Independent oil and gas company TXCO Resources Inc. and its subsidiaries file for Chapter 11, blaming volatile energy prices and difficulty raising cash to meet short-term commitments to its vendors. According to the filing, TXCO has \$432 million in assets and \$323 million in debts. The company is seeking approval for DIP financing for up to \$32 million.
- Energy Partners Ltd., a Texas-based oil and natural gas producer files a pre-negotiated restructuring plan. Their filing lists \$770 million in assets and \$708 million in debts. The plan is supported by an ad hoc committee of the company's senior noteholders comprised of more than 66.6% of the outstanding aggregate principal amount of the company's 9.75% senior unsecured notes due 2014 and the company's senior floating notes due 2013.
- US purchaser of structured settlements and annuities J.G. Wentworth, files a voluntary prepackaged Chapter 11 plan. The plan – supported by 90% of its \$370 million term lenders, the only creditors impacted by the plan – is to help reduce the company's debt load due to the collapse of the asset-backed securities market while providing \$100 million of new equity to support ongoing operations. J.G. Wentworth also said it secured a commitment for DIP financing.
- Television network owner and operator Ion Media Networks Inc. and more than 100 subsidiaries file for Chapter 11 protection to implement a prenegotiated restructuring. The company said it would eliminate about \$2.7 billion in indebtedness and preferred stock and provide the debtors with \$150 million of new equity, part of an overall \$300 million commitment.

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PwCCF Capital Markets Flash

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A Closer Look at the Market Recovery – Grabbing the Bull by the horns...

A recovery is clearly upon us! The S&P 500 and TSX have both rebounded by over 30% since their crisis lows, the TED spread has retreated to pre-crisis levels and LIBOR is at a historic low. Perceived opportunistic valuations are clearly prompting investors to clamber to the M&A and corporate credit markets which are “open for business” once again.

How did these “green shoots” emerge amidst a swampland of adverse economic circumstances and will they survive? Most coverage of the current recovery is counterintuitive – the overarching theme is that economic conditions are improving because equity and credit markets are improving.

This week, PwCCF reviews the substance behind both “bullish and bearish” views.

Metrics Snapshot – Key Measures of Economic Recovery

	Most Recent	Q4 2008 unless otherwise noted	Contraction/ Expansion
Production & Manufacturing			
US Industrial Production <i>(year over year % change)</i>	-13.7% <i>(April)</i>	-6.7 %	▼
CAD Industrial Production <i>(year over year % change)</i>	- 7.6 % <i>(February)</i>	-5.3%	▼
Institute of Supply Management (US PMI)	40.1 <i>(April)</i>	36.3	▲
Purchasing Manager Index China (PMI)	53.5 <i>(April)</i>	39	▲
US Residential Housing			
US Housing Starts <i>(year over year % change)</i>	-54% <i>(April)</i>	-45% <i>(March)</i>	▼
S&P Case-Shiller Index <i>(annualized, year over year percentage change)</i>	-19% <i>(January)</i>	-18.6%	▼
Retail & Consumer			
US Unemployment Rate	8.9% <i>(April)</i>	6.9%	▲
CAD Unemployment Rate	8.0% <i>(April)</i>	6.4%	▲
US Retail Sales <i>(year over year % change)</i>	-11.4% <i>(April)</i>	-9.1%	▼
CAD Retail Sales <i>(year over year % change)</i>	0.3% <i>(March)</i>	-1.3%	▲
CAD Consumer Bankruptcy <i>(year over year % change)</i>	57% <i>(March)</i>	-6.3% <i>(December)</i>	▲
US Consumer Bankruptcy <i>(year over year % change)</i>	36% <i>(April)</i>	27.9% <i>(December)</i>	▲
US GDP & Components			
US Real GDP <i>(quarter over quarter % change)</i>	-6.1% <i>(Q1 2009)</i>	-6.3%	▼
Change in private inventory <i>(quarter over quarter % change)</i>	-2.79% <i>(Q1 2009)</i>	-0.11	▼
Personal Consumption <i>(quarter over quarter % change)</i>	2.2% <i>(Q1 2009)</i>	-4.3	▲

Year over year changes represent the change over the same month, or quarter (as noted), in the prior year. Sources: Bloomberg, Scotia Capital Markets, US Federal Reserve, S&P Case Shiller

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**What the Bulls are saying – Don't get caught in a Bear trap...**

Bullish analysts maintain that the current levels of credit indicators including LIBOR, the LIBOR-OIS spread, and the TED spread, are in and of themselves palpable evidence of recovery. Current readings of these key measures of interbank lending conditions suggest that systemic risk, the specter over the global financial system, is no longer a threat.

In addition, instead of focusing on backwards-looking absolute values, most bullish analysts defer to the second derivatives of various economic measures (some of which are highlighted in the accompanying table). They argue that reduced rates of contraction suggest that a V or U shaped recovery is upon us.

Most bullish sentiment is centered on the following three key themes:

1. Industrial Production may be on an upswing

- Noted bullish analyst Barton Biggs considers the Purchasing Managers Index (PMI) an imperative leading indicator. The PMI has seven components, ranging from factory output and new orders to delivery times and inventories. Generally, a PMI above 50 indicates the economy is growing, while one below 50 indicates decline. Although the current Institute of Supply Management reading of 40.1 in the US is below the 50 threshold, the indicator has increased for the fourth consecutive month after seven months of consecutive losses in the trailing twelve months. In addition, Biggs points out that, while the PMI has risen, inventories have fallen to new lows - the classic cocktail for an economic recovery. China's PMI, 53.5, suggests that, even on absolute terms, the world's third largest economy is growing again. The Baltic Dry Index corroborates these forward looking views, as it has rebounded by over 308% since its crisis low.

2. The rate of employment contraction is slowing

- In a similar vein, although unemployment has continued its ascent through Q2 2009, to reach a 25 year high of close to 9% in the US and 8% in Canada, the rate of growth has slowed and, overall, the US rate is now approximating the 10% consensus worst case scenario. In other words, we are close to peak unemployment. Historic precedent has been for general economic recovery to commence in and around the time of peak unemployment.

3. The rate of GDP contraction is slowing

- While US GDP continues its downward trajectory, many bulls point to the fact that the Q1 contraction of 6.1% was less than the Q4 contraction of 6.3%. Again, a positive signal that stability is upon us.
 - The movement of Q1 2009 GDP components was also viewed as encouraging. Most notably, inventory investment subtracted 2.79 points from growth (versus negative 0.11 in Q4). This is an important forward-looking metric given that large inventory draw downs in one quarter have a tendency to be reversed in the next quarter. Secondly, personal consumption expenditures, measures of consumer confidence, actually contributed 1.5% to GDP in Q1 2009, versus negative 4.3% in Q4 2008.
 - With respect to GDP, it is also important to consider that most stimuli within President Obama's global stimulus package only began to take effect on April 1st. The Congressional Budget Office has estimated that new measures will add 4% to real GDP in both the second and third quarters. Because of this expected boost, many analysts consider Q1 GDP to already be irrelevant and place more reliance on expected turnarounds in the latter half of 2009.

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What the Bears point to – *Just grin and Bear it...*

Bearish analysts, now colloquially referred to as “green-shoot weed wackers” have two simple counterarguments to the theories presented by the bulls.

1. Improvements in credit conditions are due to government intervention as opposed to self sustaining improvements

- Most agree that current massive levels of credit market stimulation are not sustainable. Some point to the increased utilization of pricing floors and wide corporate credit spreads as evidence that long term credit sentiment is still bleak.

2. Growth in absolute terms is what matters

- Most economic metrics are still trending downwards. According to the bears, it is this absolute trend that matters. Until we experience a return to growth, unemployment will continue to rise, which will put pressure on incomes and consumer spending, and thus corporate profits. Regardless of rates of decline, the bears maintain that continued absolute economic contraction will eventually result in the less desirable states of “double dip” W shaped recession or a prolonged L-shaped recovery.

Most bearish sentiment is centered on four themes:

1. Retail sales/consumption will be weak for a prolonged period

- Global household wealth has been devastated and will strain consumer spending in the long term. According to Eric Sprott, global stock market declines have resulted in \$30 trillion of lost wealth and global home value declines have resulted in \$60 trillion of lost wealth. Without even including losses on other assets, such as bonds, real estate and commodities, over \$90 trillion of household wealth has evaporated. Combined with the fact that, in the US, the ratio of debt to disposable income is 135% and unemployment is on the rise, it becomes clear that even global stimulus packages cannot engineer a reversal of fortunes. Pervasive consumer weakness and a bias towards deleveraging are further evident in the most recent US retail sales data, which were significantly worse than expectations. Overall, most expect a frugal future.

2. Unemployment is dangerously high

- While the peak of jobless claims is typically associated with the end of a recession, the unfortunate reality is that, by post WWII standards, this is no ordinary recession. During the 2001 downturn, recession job losses averaged 150,000 per month, far below current averages in excess of 600,000. Further notable cutbacks are expected by automotive makers and their suppliers and dealers through the summer. In addition, the “quality” of jobs also needs to be addressed. Many workers are being forced to take lower paying or part-time jobs due to a dearth of full time opportunities. It is also widely accepted that benefit-rich, high paying union jobs are a relic of better times. In addition, when scrutinized for normalizations, the second derivative is not as encouraging. As highlighted by Nouriel Roubini: “yes, in April, only 540,000 jobs were lost as opposed to 650,000. But, if you exclude 70,000 government workers hired by the Census, private sector job losses were still a whopping 611,000 in April.”

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What the Bears point to – *Just grin and Bear it...* (cont'd)

3. Industrial production continues to trend downward

- While there may be a historical link between PMI and industrial production, both Canadian and US industrial production continues to decline at a rapid clip, despite the fourth month uptick in PMIs. In absolute terms, the US PMI still remains below 50 – a generally accepted signal of further contraction. Nouriel Roubini describes the PMI as a “fake head – a misleading indicator rather than a leading indicator.” The Baltic Dry index echoes this sentiment. Although the key metric has rebounded to 2,707, it remains well of its pre-crisis high of over 11,000.

4. The housing market is still under pressure

- Consensus has long been that recovery in new and existing US home sales will be required for global capital markets to permanently stabilize. Although many point to isolated regional data and speculation about mortgage incentive programs and housing affordability as evidence that the “worst of the housing drought” is over, it is difficult to find substantial fundamental evidence of such. Quite the contrary in fact: Home prices tracked by the Case Shiller Index were down close to 20% in January, the largest monthly decrease on record while housing starts decreased to an all-time low in April 2009, 54% below April 2008 starts. In addition, significant volumes of unsold new and existing homes remain on the market – in the US alone, there is currently 12.2 months of supply in new homes and 9.7 months of supply of existing homes on the market versus what’s considered a more normalized level of 5-6 months of supply. Excess inventory will likely put additional downward pressure on valuations, with most analysts pointing to a further 10%-20% drop in US home values.

And the outlier – *Enter the Matador...*

In his most recent work, Robert Shiller purports that non-rational “animal spirits” are what really dictate market behaviors, not classic economic fundamentals. If we adopt this unique view, both the bull and bear assessment of recent economic measures are irrelevant indicators and predicting future market behaviors becomes a futile task. Perhaps Shiller is on to something. It was this noted economist after all, who first alluded to the now famous expression, attributed to Greenspan, which defined over a decade of economic activity- “irrational exuberance.”

Suggested Action of the Week – *Run with the bulls at your own risk...*

This fight looks to be long and unpredictable. L, U, V or W? It remains to be seen. Prepare and plan for each scenario accordingly.


www.pwc.com/ca/managinginadownturn

All dollar amounts are expressed in US dollars, unless otherwise indicated.

Sources: Bloomberg, Reuters, Capital IQ, Dealogic, Random Lengths, Pulp & Paper Weekly, US Census Bureau, CMHC, NAHB, Statistics Canada, company websites and press releases, National Post, The Globe & Mail, The Associated Press, RBC Capital Markets, CIBC World Markets, Scotia Capital, Bank of Canada, FT Alphaville, TD Securities, S&P Case Shiller, Nouriel Roubini, RGM Monitor, Forbes, Sprout Asset Management, Barton Biggs (Newsweek).

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**PwC Happenings and Upcoming Events**

As part of our “Managing in a Downturn” campaign, PwC is pleased to bring to you and/or participate in the following upcoming events.

- **May 22 – Episode 12. Strategy Talks with Dean & Helen: The PwC Managing in a Downturn Podcast Series.** In Episode 12, Dean and Helen welcome Bill Orr, a partner in the Montreal office of Fasken Martineau. He discusses the future usefulness of fairness opinions in light of recent decisions made by the Ontario Securities Commission. After listening to the podcast, please take a moment to participate in our poll, or share your comments with us. We want to hear from you. Listen to or download the podcast now at www.pwc.com/ca/strategytalks.
- **June 2 – Toronto. Launch of Global Performance Management Research Report.** The Report is a collaborative effort of PwC’s Performance Management practice and international partners. The survey targeted private- and public-sector organizations to explore the relationship between effective performance management practices and superior strategic, competitive, operational and financial outcomes. To attend the launch event on June 2, visit www.pwc.com/ca/pmlaunch to register. Visit www.pwc.com/ca/pmreport to obtain a copy of the report online.
- **June 2 – Saskatoon. PwC’s Reaching New Heights: Selling your Company for the Highest and Best Price.** PwC Corporate Finance, in partnership with Canadian Western Bank, is holding this informative session on practical strategies to sell your business for the highest and best price. To RSVP, call the registration line at +1 866 221 4290, or for further details, call Sherilyn Smith at +1 403 509 7309.
- **June 4 – Mississauga. 2009 GTA Alumni Knowledge Series Session: Driving strategy into sustainable performance.** Our PwC experts, who have worked extensively with private companies, will present and discuss PwC’s point of view on performance management; the importance of performance management in both good and bad times; and how PwC is helping clients through the use of PwC’s new Performance Management Review diagnostic. For further details, call Rob Merk at +1 416 941 8383, ext. 13355.
- **June 17 – Kitchener. PwC Managing Risk and Opportunity Breakfast Session.** Presented by PwC, the session will begin with a brief capital markets update, followed by an interactive panel discussion on risk and opportunity in a downturn. For further details, contact Rozanne Kibel at rozanne.kibel@ca.pwc.com.

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