



**3i Financial Group Inc.**  
"Performance Drives Performance"

# MARKET UPDATE NEWSLETTER

1st Quarter - April 01, 2007

## Consumer Corner

Prime rate at most financial institution is at **6.00%**

The current Bank of Canada prime rate is **4.25%**

The following are some of the most competitive interest rates for deposit savings and chequing accounts:

### Deposit Savings

- 1) Dundee Bank - **3.85%**
- 2) Manulife Bank - **3.75%**
- 3) ING Direct - **3.50%**

### Chequing

- 1) Manulife Bank - **3.75%**
- 2) ATB Financial - **3.10%**
- 3) Dundee Wealth Bank - **2.75%**

### Mortgage Rates (lowest rate)

1 Year	<b>6.40%</b>
2 Year	<b>4.99%</b>
3 Year	<b>5.15%</b>
4 Year	<b>5.07%</b>
5 Year	<b>5.09%</b>
7 Year	<b>5.45%</b>
10 Year	<b>5.55%</b> * As of April 01, 2007

**For further information and advice, please contact your licensed professional financial advisor:**



## Miss Advisor

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## Special Reminder

The 2006 Income Tax Season is upon us. You have until April 30, 2007 to prepare and file your 2006 Income Tax Return. Please ensure that you have all the appropriate T4s, T3s, RRSP Contribution Tax Receipts, and supporting documents ready and included with your tax return.

## Market Highlights

- U.S. has slapped duties on some imported Chinese goods: Subsidized Imports Punitive Tariff Levied Against Chinese Goods. This is negative for the U.S. Dollar and trade relations between the U.S. and China.
- Gold bottomed out at \$600 US/oz, softly touched the \$690 US/oz high, currently at \$669 US/oz and getting ready to challenge and breach \$700 US/oz.
- Price of crude oil has risen sharply (\$64-\$66) due to renewed and mounting political tension between Iran and the West.
- The US Dollar Index (a general indicator of the international value of the US Dollar) has fallen through the critical 85 cents mark. It has weakened further since then and its rate of decline is starting to accelerate towards the dangerous 80 cents level.
- China has begun a program to control and regulate the use of leverage in its stock market. The sudden announcement caused a chain reaction leading to a mild correction in the global markets.

## Economic Highlights

- Sub-prime mortgage problems compound a deteriorating U.S. housing market. Expect more negative reports in the near future.
- U.S. corporate profits are softening.
- U.S. Federal Reserve appears to have shifted stance to a position of cutting interest rates in the near future in the face of worsening economic conditions.
- The Canadian Dollar has risen steadily on firmer energy prices and favourable economic and political developments.
- Canadian housing market continues to be robust and shows solid indications of continued strength.

## Going Forward

The current market conditions and the returns it has generated continue to be in-line with our expectations. In our last newsletter we quoted the S&P/TSX Composite Index was at 12,857 points and that we believe there is still a lot of potential in it to generate a good return simply because the fundamentals are still

the same and still firmly in place. Since then, it went on to breach the 13,000 mark on route to a high of 13,400 before correcting to 13,165 points. We do not see this trend changing anytime soon. The rise and the correction of these markets have both been spectacular and scary. One must always keep the clear fundamentals in mind and in check while ignoring the short-term fluctuations to ensure a long-term participation in the prosperity of a bull market.



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