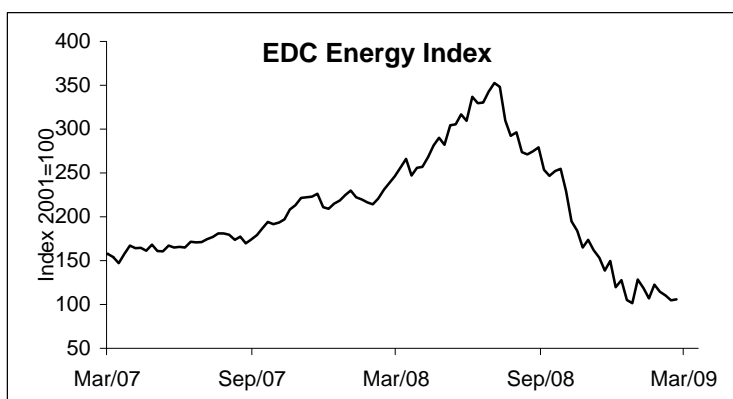
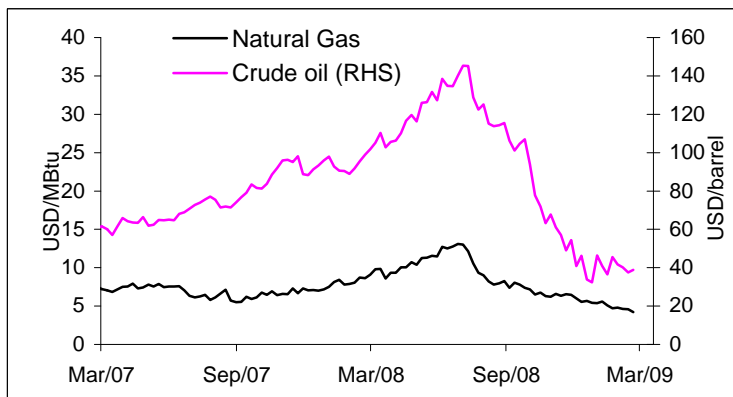


Energy

We have a neutral-to-modest bullish outlook for crude prices. First and foremost, we believe the market truly appreciates the scale of risks facing the global economy. Meanwhile, the gap between Brent and WTI has narrowed, speculators are fairly neutral and the USD looks unlikely to drop anytime soon. Still, the only sure thing at this point is that prices will be volatile.

Natural gas prices continued to plunge last month as US inventories surged 17% y/y and are now 12% higher than 5-year norms. Unfortunately the pace of inventory build isn't showing signs of moderating as changes in supply are not yet keeping up with the drop in demand - US industrial production plunged 10% y/y in January. However, producers are responding. **Natural gas drilling activity in February was down 25% y/y in the US and 34% y/y here in Canada. It will take time for these actions to reduce inventories (possibly Q4 2009), but when they do, prices will rise.**

Metallurgical coal prices are set to plunge. Negotiations for the coming coal year (April-March) could see prices fall from roughly US\$300/ton last year to US\$100/ton this year. Buyers have all the power in the current market as producers scramble to cut output.



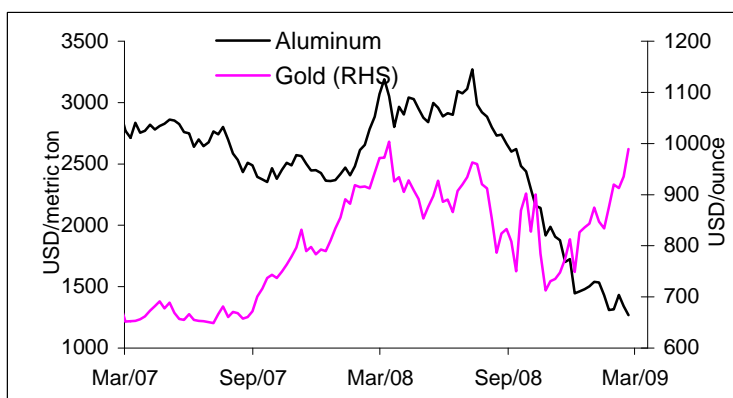
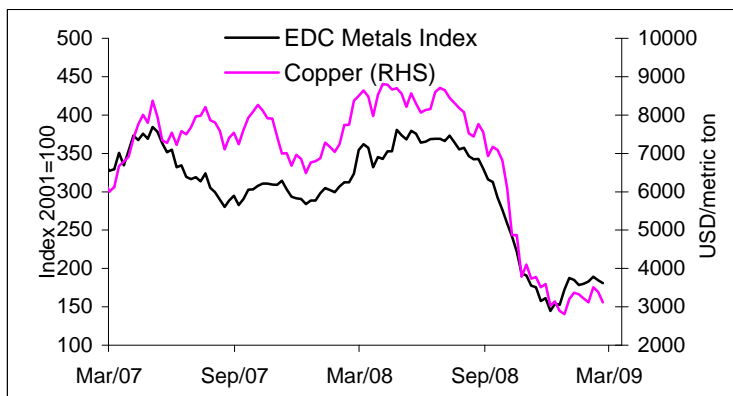
Metals

Copper ended the month of February stronger than when it began, but volatility was pervasive throughout the month, mostly due to expectations surrounding the US stimulus bill. **Inventory levels continue to build and the demand outlook remains weak.**

Nickel inventories, already at a 13-year high, are set to rise significantly over the next month. This as losses and job cuts at stainless steel manufacturers mount world wide.

Aluminum Corp of China's (Chinalco) planned \$19.5 billion investment in Rio Tinto is meeting with opposition from Australia. Public opinion is strongly against increased ownership of Australian natural resources by foreign state owned companies.

Investors continue to seek the safety and security of gold and silver as financial market turmoil persists and bonds lose their allure (on the rising costs of fiscal stimulus). **The near term outlook for silver is favourable, with gold prices already up significantly.** Peru and Mexico, the world's largest producers of silver, will be the main benefactors.



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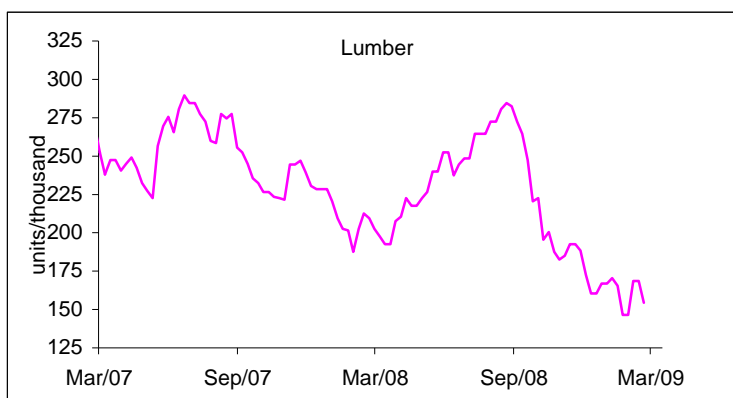
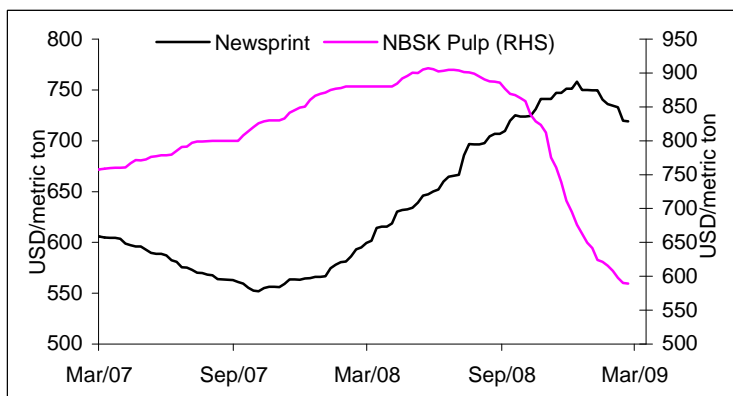
Forestry

Lumber prices rallied for the first two weeks in February on increased production cuts and indefinite shut-downs, only to stumble on news of weaker than anticipated housing starts. US housing starts dropped 16.8% between December and January to 466,000 units (SA). The end effect was a 2.7% m/m decline in lumber prices. There remains considerable uncertainty surrounding the industry's demand/supply outlook.

The OSB market showed some regional disparities, but sales were generally grim and buyers limited purchasing, sending prices tumbling 3.3% m/m.

Pulp prices fell 3.9% m/m despite continued industry closures. The market may stabilize in the coming months as expected production curtailment and mill closures materialize.

Newsprint inventories continued to pile in January despite production curtailments; prices were down 2.1% m/m. Further market closures/downtimes are needed in order to restore market balance and to stop further price erosion. Especially as more US papers are expected to fall victim to the recession.



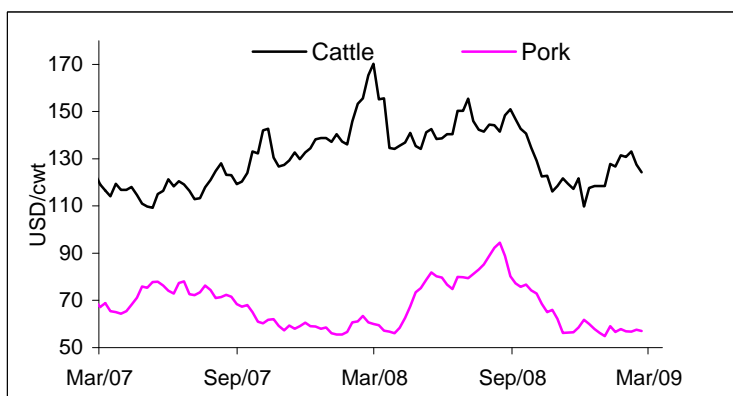
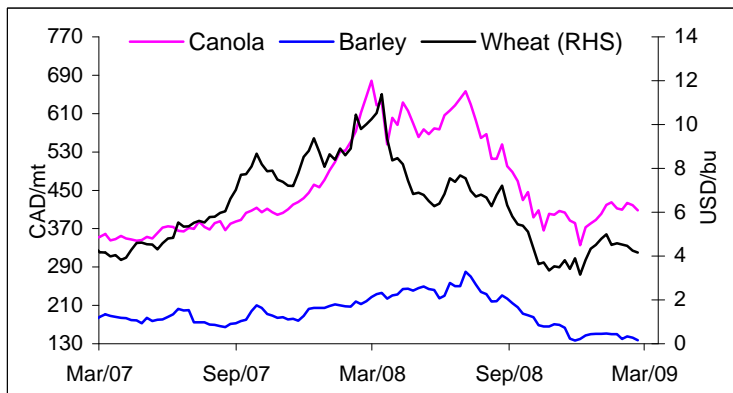
Agriculture

In the absence of significant fundamental news, the grain and oilseed complexes continue to be weighed down by concerns over the global economic slump.

Wheat (-8.8% m/m), barley (-7.8%), and soy (-7.3%) all posted monthly losses as markets priced in the abundance of global wheat supply, weak malt demand, soft livestock and meat markets and, in the case of soy, the return of moisture in Argentina.

Canola (+2.0% m/m) continued to benefit from strong export demand in spite of Canada's supply glut this season. Chinese buyers remain active in the market.

Performance in the meat and livestock complexes was mixed, with cattle gaining 1.4% on the month while hogs lost another 1.0%. **Red meat prices are increasingly at the mercy of price-sensitive buyers and weak overall consumer demand.** Herd liquidation is beginning to bear fruit, albeit marginally, for cattle markets. We expect a similar story to play out for hogs over the coming months.



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EDC Index (Jan, 2001=100)	% Change			Week Ending				Month				Year			YTD	Trend ¹	Outlook ²
	w/w	m/m	y/y	2/27	2/20	2/13	2/6	11/8	12/08	1/09	2/09	2006	2007	2008	2009		3 months
EDC Commodity Index	3.0	-0.5	-42.7	138	134	134	138	168	156	183	184	270	319	303	125	→	
EDC Non-Energy Index	-0.8	-2.0	-34.3	154	155	158	161	125	118	115	112	132	120	126	114	→	
Energy																	
EDC Energy Index	8.9	1.5	-52.8	116	107	105	110	125	126	136	130	119	156	178	134	↓	
Crude oil (USD/barrel)	13.5	7.4	-56.0	45	39	38	40	55	38	42	40	66	73	100	41	↓	↑
Natural Gas (USD/MBtu)	-4.5	-15.7	-55.7	4.03	4.22	4.60	4.65	6.48	5.67	5.12	4.38	6.66	6.90	8.80	4.79	↓	↑
Coal (USD/short ton)	0.0	-8.0	33.7	58	58	58	58	74	71	69	58	36	32	60	64	↓	
Electricity (USD/mwh) ³	4.8	-2.7	-33.7	45	43	43	44	57	59	56	44	59	62	69	51	↓	
Gasoline (USD/gallon) ³	17.2	-1.2	-48.0	129	110	124	130	124	92	116	123	184	208	246	119	↑	
Ethanol (USD/gallon) ³	0.3	-2.4	-17.7	1.93	1.92	1.95	1.96	2.01	1.82	1.94	1.94	2.53	2.12	2.48	2	↑	
Metals																	
EDC Metals Index	-0.4	-1.5	-49.1	180	181	185	189	168	156	183	184	270	319	303	183	↑	
Copper (USD/mt)	9.8	9.7	-59.8	3422	3115	3392	3507	3653	2968	3245	3359	6740	7154	6961	3296	↑	↓
Nickel (USD/mt)	5.4	-11.0	-68.3	9926	9420	10255	11442	10414	9793	11839	10261	24335	37336	21119	11137	→	↓
Aluminum (USD/mt)	3.1	-0.6	-57.4	1309	1269	1342	1434	1803	1472	1426	1338	2581	2641	2579	1387	↓	
Zinc (USD/mt)	2.4	2.6	-59.5	1103	1078	1128	1161	1162	1094	1195	1117	3281	3251	1883	1160	↓	
Steel (USD/mt)	-5.6	-7.1	-42.7	187	198	201	201	126	123	189	197	224	252	350	192	↑	
Iron ore (USD/long ton) ³	0.0	0.0	79.9	145	145	145	145	144	144	144	145	70	79	127	145	→	
Molybdenum (USD/lb) ³	0.0	-1.1	-73.3	9.15	9.15	9.25	9.25	11.00	10.10	9.61	9.20	25.13	30.65	29.58	9	↓	
Uranium (USD/lb) ³	0.0	-6.0	-37.3	47	47	47	47	51	54	51	47	48	99	64	49	↓	
Gold (USD/oz)	-3.7	3.5	-2.0	952	989	936	913	767	814	870	947	606	697	871	904	↑	↑
Silver (USD/oz)	-10.9	3.0	-34.4	12.97	14.56	13.49	13.01	9.89	10.15	11.68	13.51	11.60	13.40	14.99	12	↑	↑
Palladium (USD/oz) ³	-9.7	1.3	-65.5	195	216	217	212	203	172	192	210	322	356	351	200	↑	
Forestry																	
EDC Forestry Index	-2.0	-2.6	-5.4	109	111	114	115	125	118	115	112	132	120	126	114	↓	
Lumber (USD/tbf)	-7.8	-2.7	-29.6	143	155	169	169	190	165	159	159	296	252	222	159	↓	↓
OSB (USD/tsqf)	-3.3	-3.3	13.7	145	150	150	155	174	153	148	150	211	158	165	149	→	↓
Newsprint (USD/mt)	0.0	-2.1	19.9	719	719	720	733	747	752	742	723	634	581	671	733	↓	↓
LWC paper (USD/mt) ³	1.8	-1.5	-10.6	892	876	902	894	895	925	920	891	881	929	998	907	→	
NBSK Pulp (USD/mt)	-0.8	-3.9	-33.6	584	589	590	598	747	671	622	591	675	793	855	608	↓	↓
BHK Pulp (USD/mt) ³	-1.5	-5.6	-33.9	527	535	539	546	706	626	572	537	638	702	792	556	↓	
Kraftliner (USD/mt) ³	1.6	-7.4	-23.9	582	573	597	616	624	650	645	592	602	720	734	621	↓	
Agriculture																	
EDC Agriculture Index	0.2	-3.7	-43.2	128	128	131	134	125	126	136	130	122	156	178	134	→	
Canola (CAD/mt)	4	2	-38	419	403	419	424	395	369	413	416	274	381	524	415	↓	
Barley (CAD/mt)	-6.3	-7.8	-43.3	129	138	143	146	153	147	148	139	134	184	212	144	→	
Soya (USD/bu)	0.3	-7.3	-40.3	9.26	9.23	10.11	10.15	9.40	9.28	10.16	9.69	6.70	9.04	13.09	9.95	→	↑
Wheat (USD/bu)	-0.9	-8.8	-59.7	4.13	4.17	4.26	4.47	3.66	3.96	4.68	4.26	3.59	5.88	6.71	4.49	→	→
Corn (USD/bu) ³	1.7	-6.3	-34.7	3.51	3.45	3.58	3.71	3.56	3.56	3.89	3.56	2.44	3.64	5.11	3.75	→	
Rice (USD/mt) ³	-1.3	-0.2	36.1	622	630	621	624	589	582	614	468	311	334	614	549	↑	
Crude palm oil (USD/mt) ³	4.5	3.4	-52.5	575	550	606	569	467	481	561	575	435	750	942	567	→	
Rubber (US cents/lb) ³	1.2	-7.4	-50.3	66	65	69	69	83	65	72	67	96	105	124	70	→	
Cocoa (USD/mt) ³	-0.7	-12.8	-12.7	2454	2472	2723	2874	2080	2466	2641	2631	1594	1957	2584	2637	↑	
Coffee (US cents/lb) ³	1.8	-3.3	-25.7	127	124	128	133	120	116	127	128	114	123	138	127	↑	
Cattle (USD/cwt)	1.6	1.4	-11.0	80	79	79	81	88	83	83	80	85	92	92	81	↓	↑
Pork (USD/cwt)	-1.1	-1.0	-6.2	56	57	58	57	57	59	57	57	68	68	69	57	→	
Fertilizers																	
Potash (USD/mt)	0.0	0.0	106.0	773	773	773	773	763	765	773	773	167	197	579	773	→	
Urea (USD/mt) ³	0.6	3.4	-15.3	332	330	330	322	285	215	272	329	241	375	539	297	↑	
Ammonia (USD/mt) ³	0.0	37.6	-55.5	278	278	202	202	341	128	143	240	317	339	591	186	↑	
Sulfur (USD/mt) ³	-12.5	-12.5	-92.6	35	40	40	40	45	45	43	39	49	100	476	41	↓	
Other Indicators																	
USD/CAD exchange rate	-1.0	-2.6	-22.6	0.79	0.80	0.80	0.81	0.81	0.80	0.82	0.80	0.88	0.94	0.94	0.81	→	
CAD/euro exchange rate	-0.6	-1.7	-7.6	1.61	1.60	1.60	1.59	1.57	1.68	1.63	1.60	1.43	1.47	1.56	1.61	→	
Fed discount rate	0.0	0.0	-2.8	0.25	0.25	0.25	0.25	1.00	0.63	0.25	0.25	4.97	5.05	2.09	0.25	↓	
MSCI Global	-2.6	-10.0	-49.5	187	192	209	216	216	219	218	201	334	393	326	210	↓	
LIBOR (1-month)	0.0	0.1	-2.6	0.50	0.47	0.46	0.45	1.60	0.96	0.40	0.47	5.10	5.24	2.68	0.43	↓	
Baltic Dry Index	-5.4	85.6	-73.9	1986	2099	1908	1642	805	755	915	1909	3209	7116	6350	1357	↑	
ICSC Chain Store Sales	0.6	3.2	1.3	486	483	479	479	478	476	478	481	467	480	488	480	→	
Semiconductors book-to-bill	n/a	-44.2	-46.1	n/a	n/a	n/a	n/a	0.97	0.86	0.48	n/a	1.03	0.90	0.85	n/a	n/a	

Source: Bloomberg, iiHub, EDC Economics ¹ Trend arrow points up (down) if 5 week average exceeds (falls short of) the 15 week average by a factor of 2% or more.

² The price outlook gives an indication of where EAF believes prices will be at the end of the next 3 months compared to the last value of the previous month. ³ Series do not affect EDC indices for Canada but are included in the table because of their significance as a globally traded commodity.