



Bank Financial Group

THE ECONOMIC OUTLOOK



***Presentation by
Don Drummond
Senior Vice President & Chief Economist***

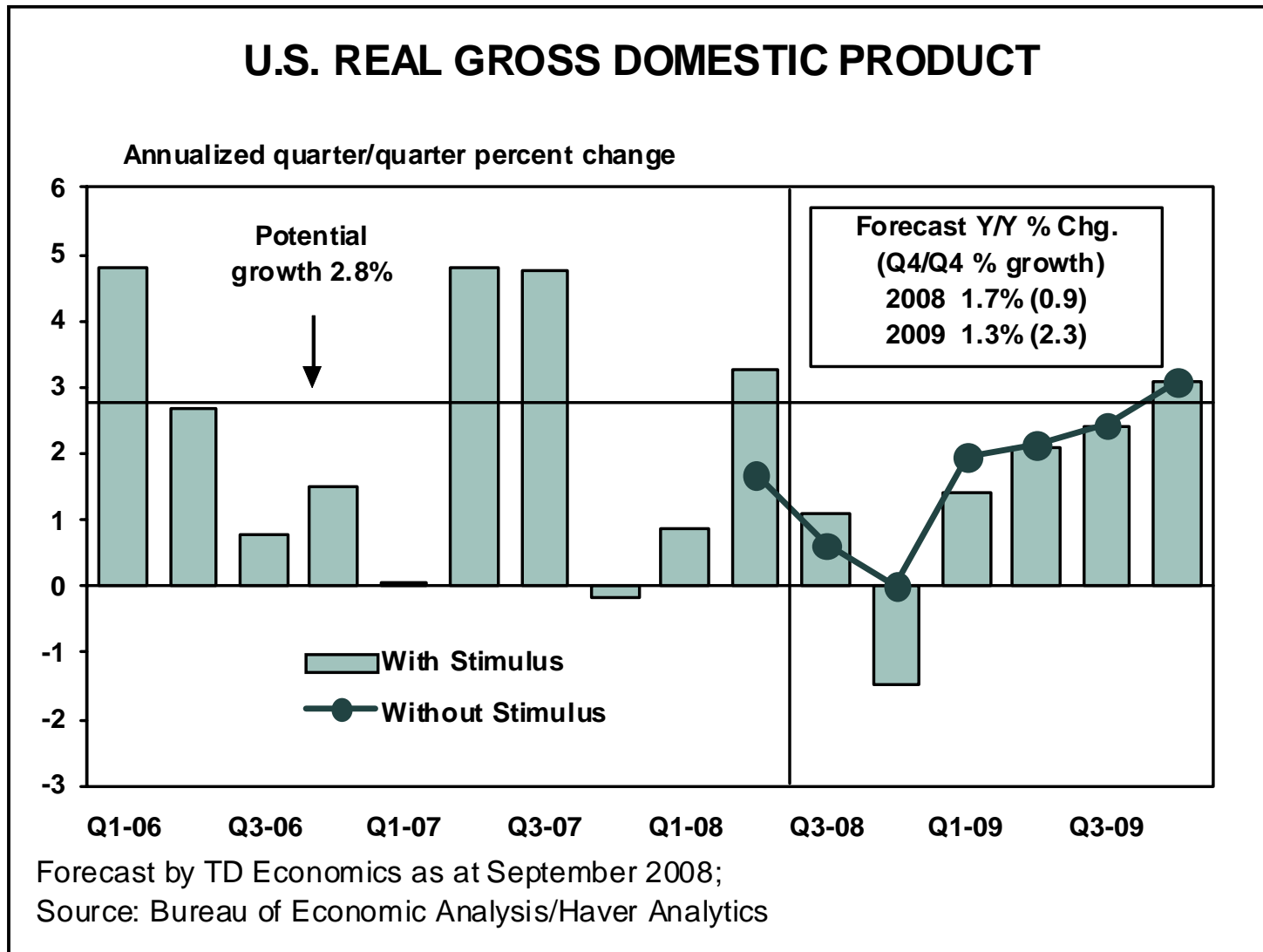
TD Economics provides analysis of economic performance and the implications for investors. The analysis covers the globe, with emphasis on Canada, the United States, Europe and Asia.

Contact Information

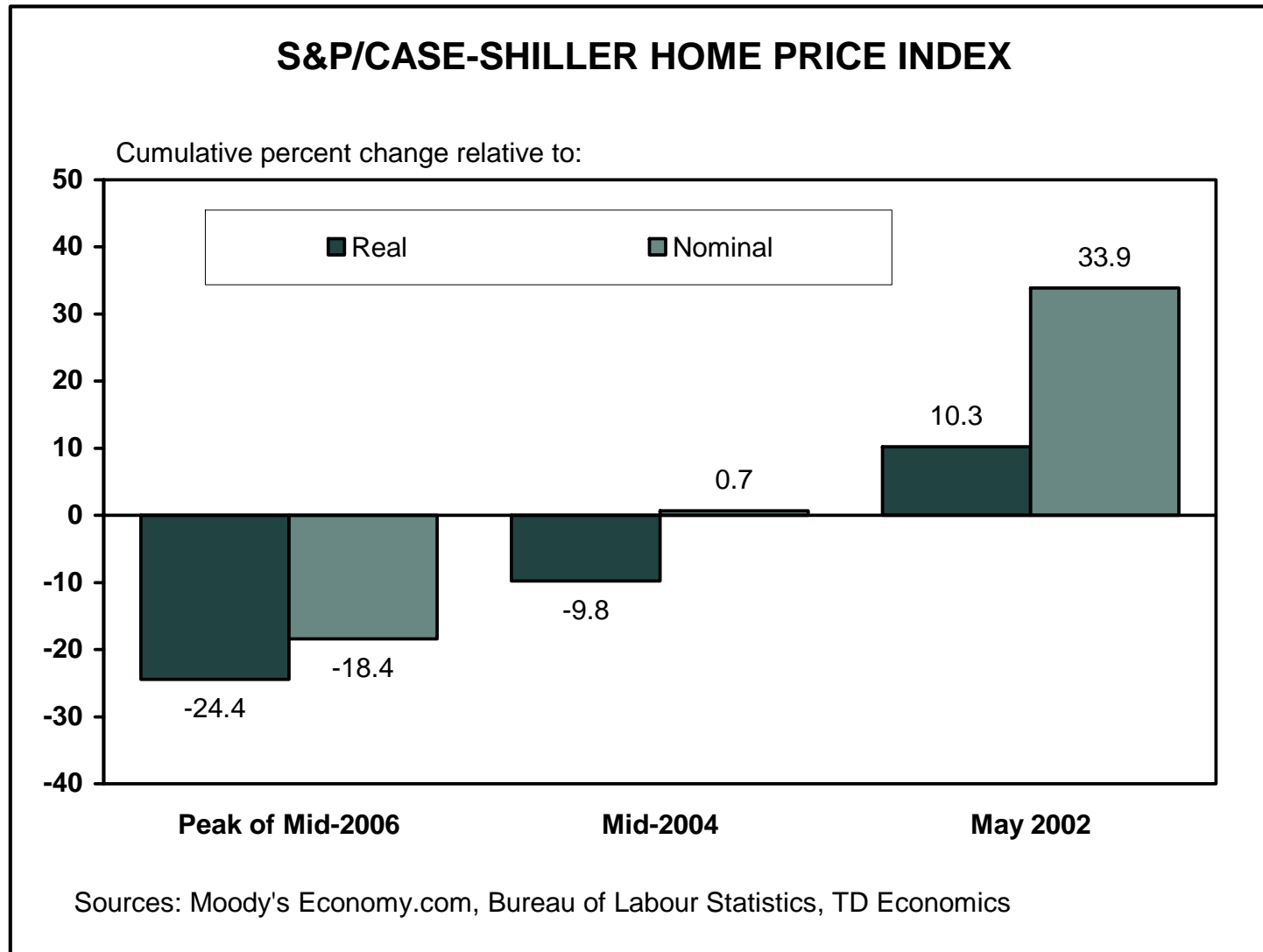
Phone: 416-982-8061

Email: devi.kunan@td.com

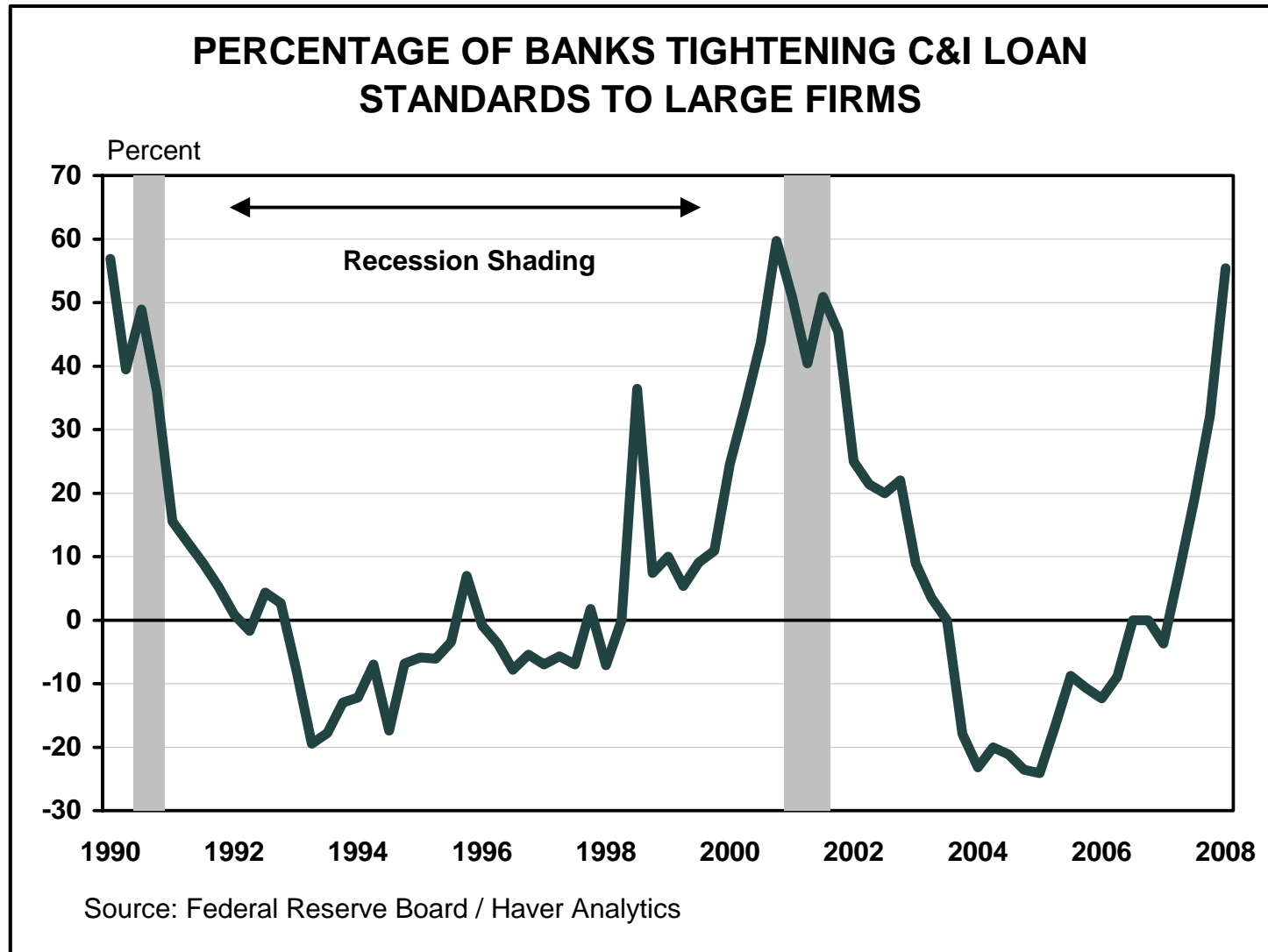
U.S. ECONOMY IN A PROLONGED SLUMP



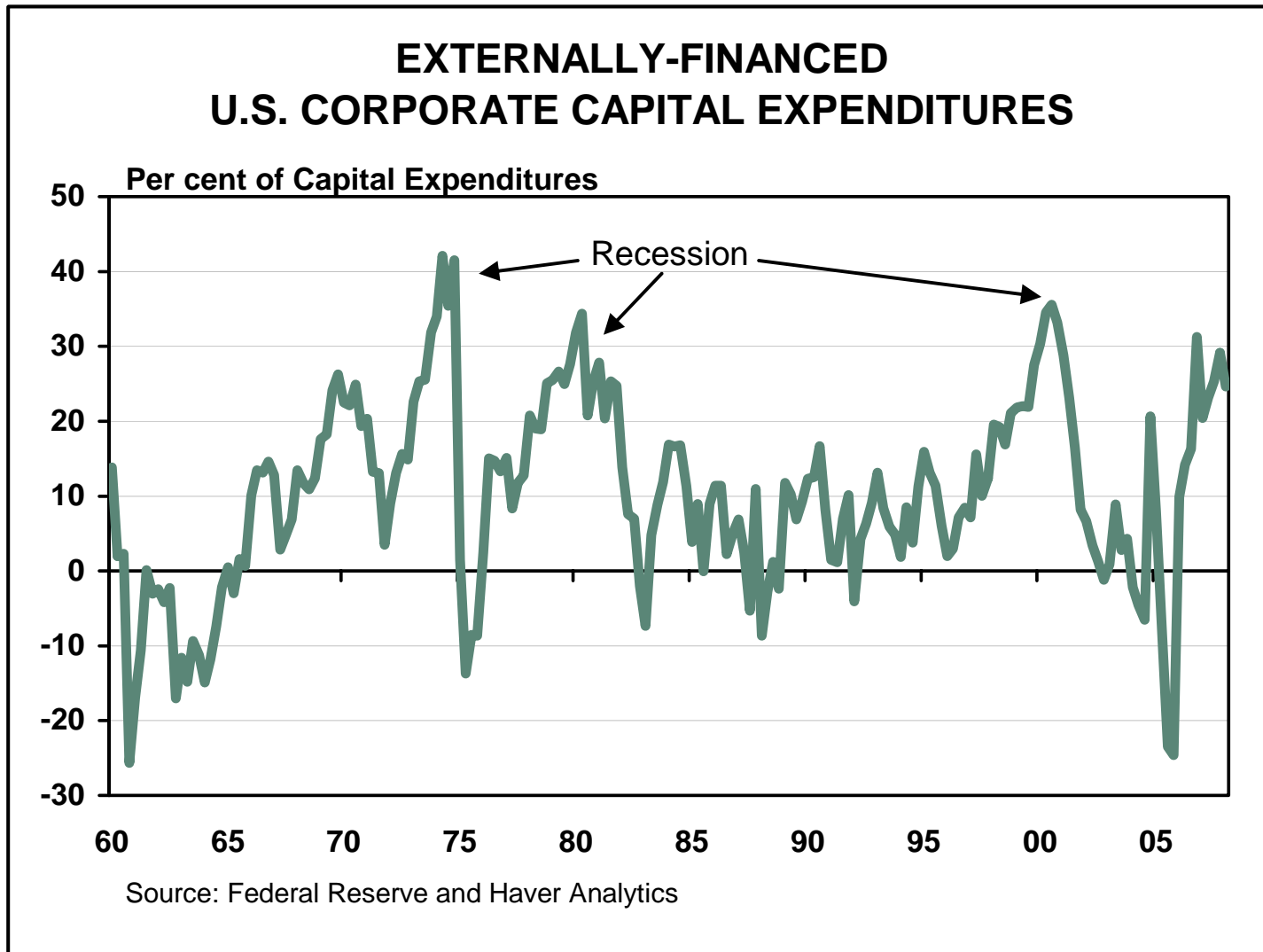
REAL HOUSE PRICES STILL ABOVE 2002 LEVEL



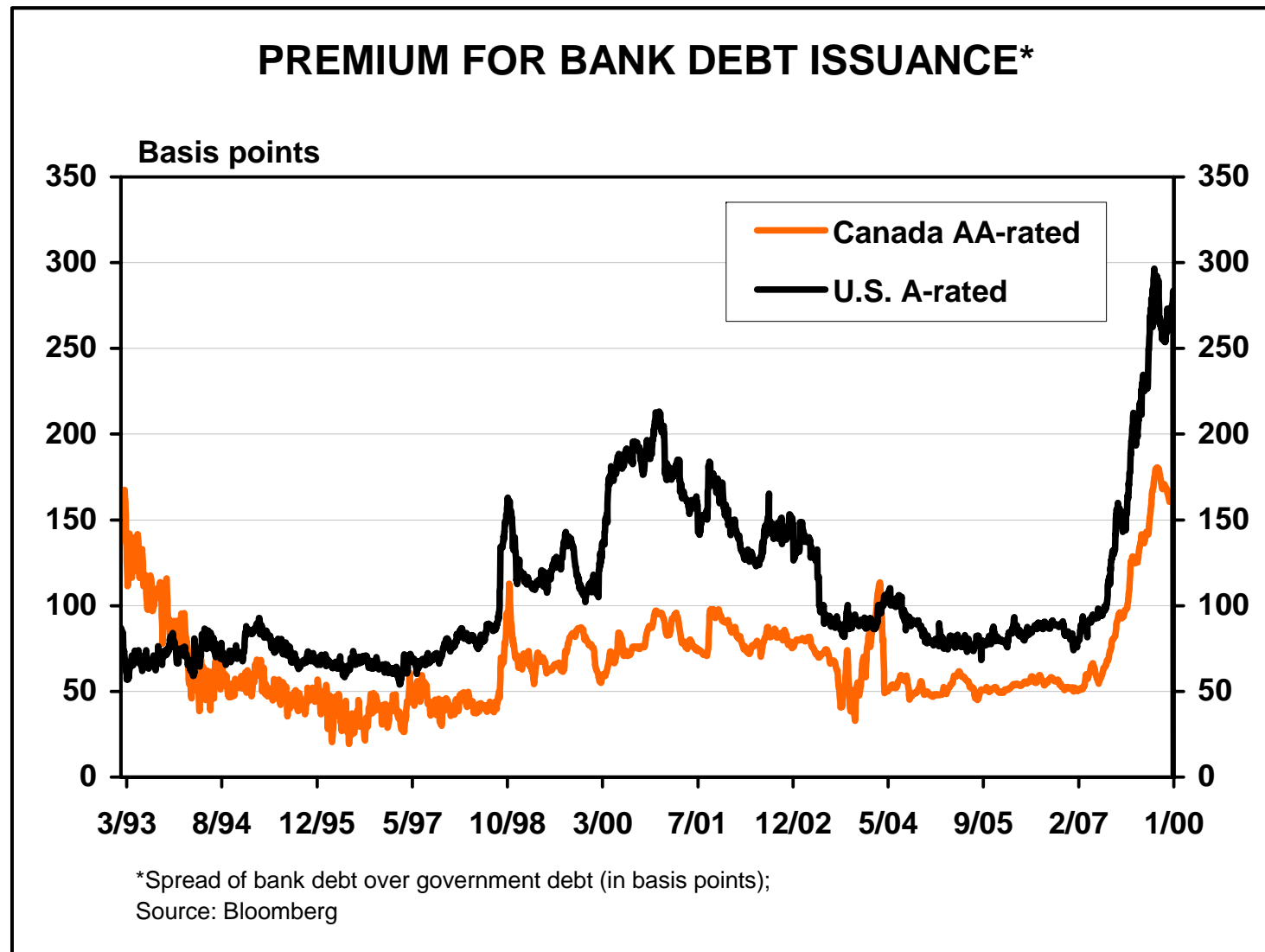
U.S. BANKS HAVE TIGHTENED CREDIT



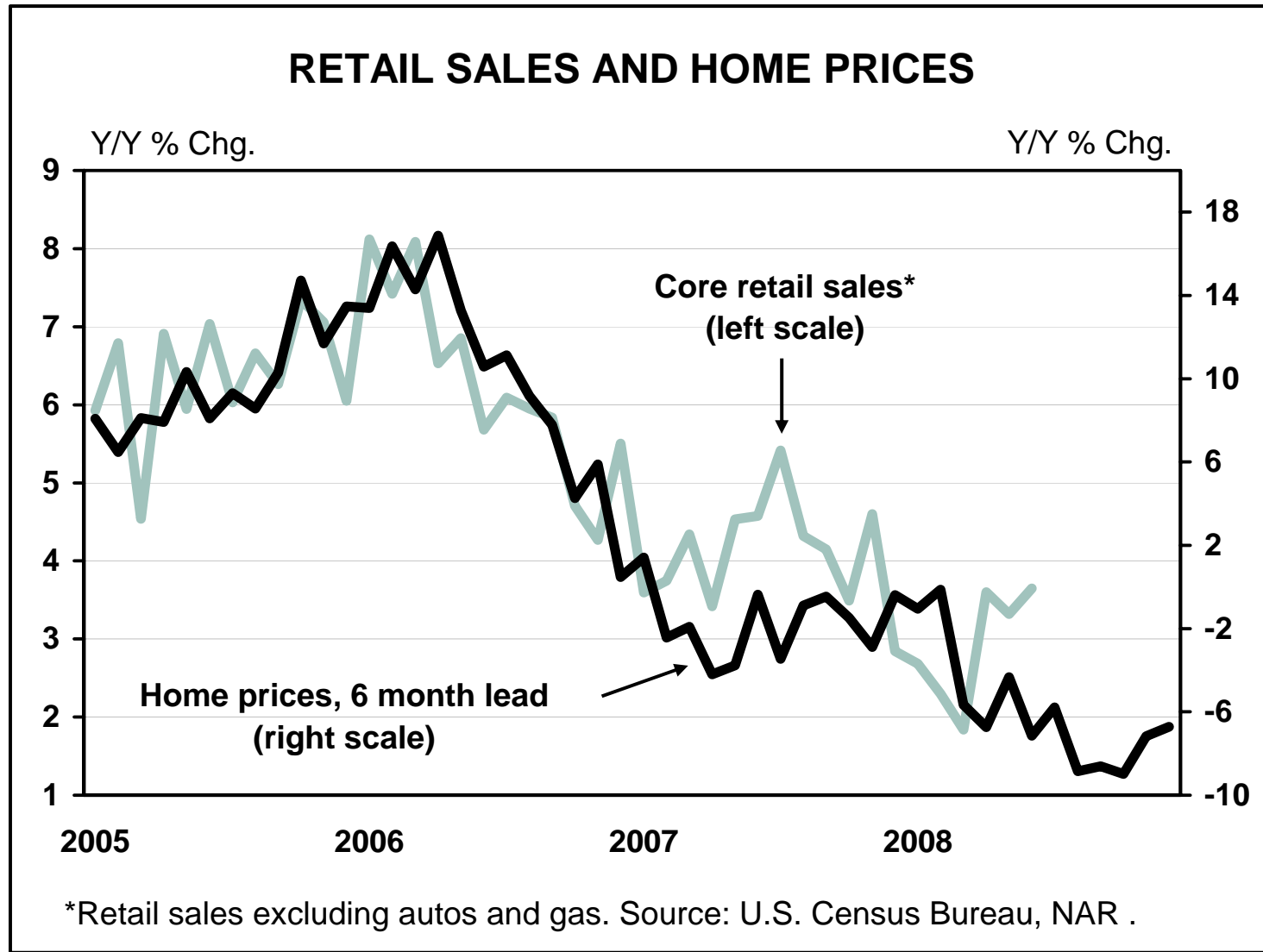
CORPORATIONS MUST INCREASINGLY TURN TO CASH STARVED BANKS



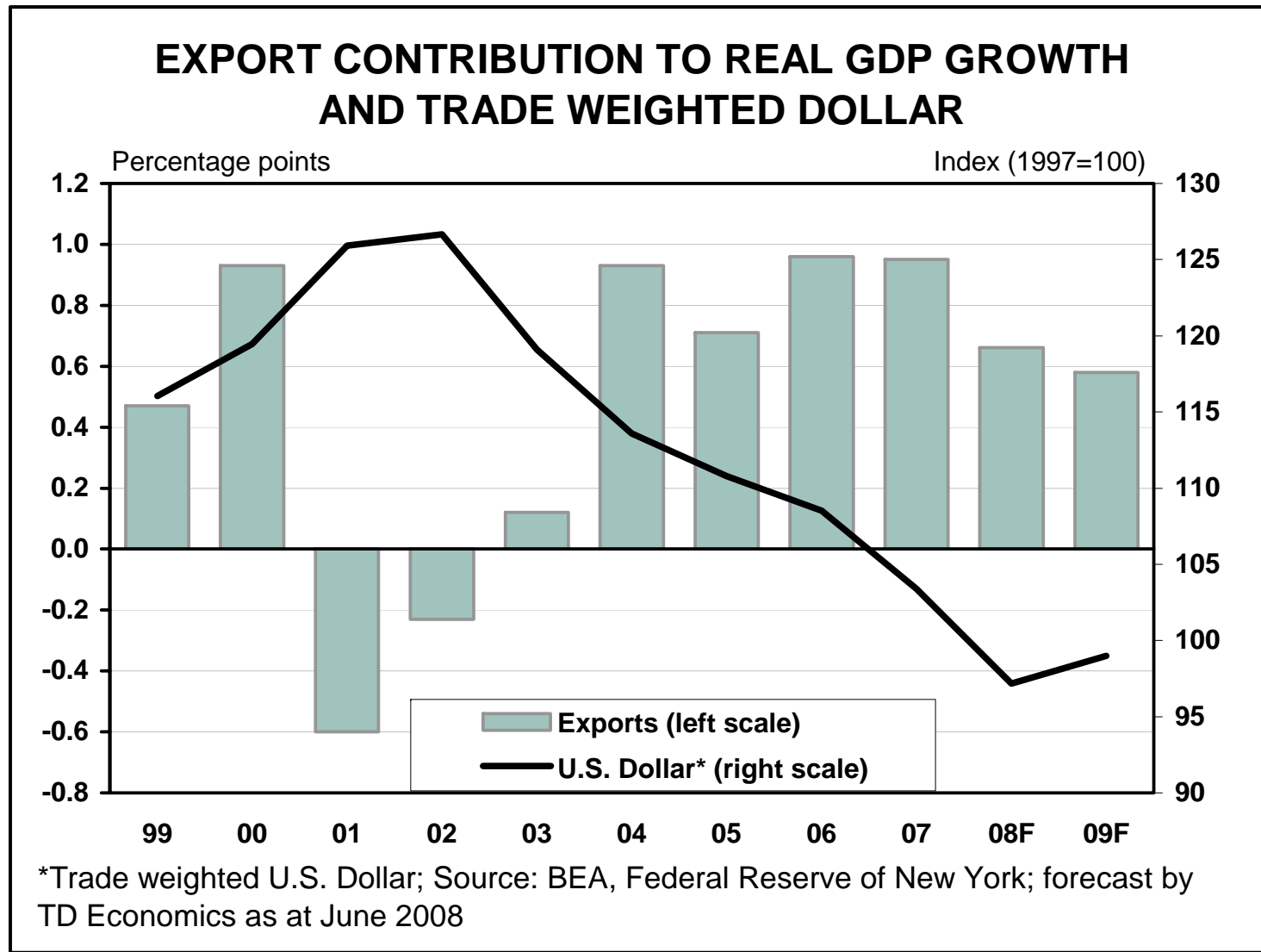
BANKS' COSTS OF FUNDS HAVE RISEN



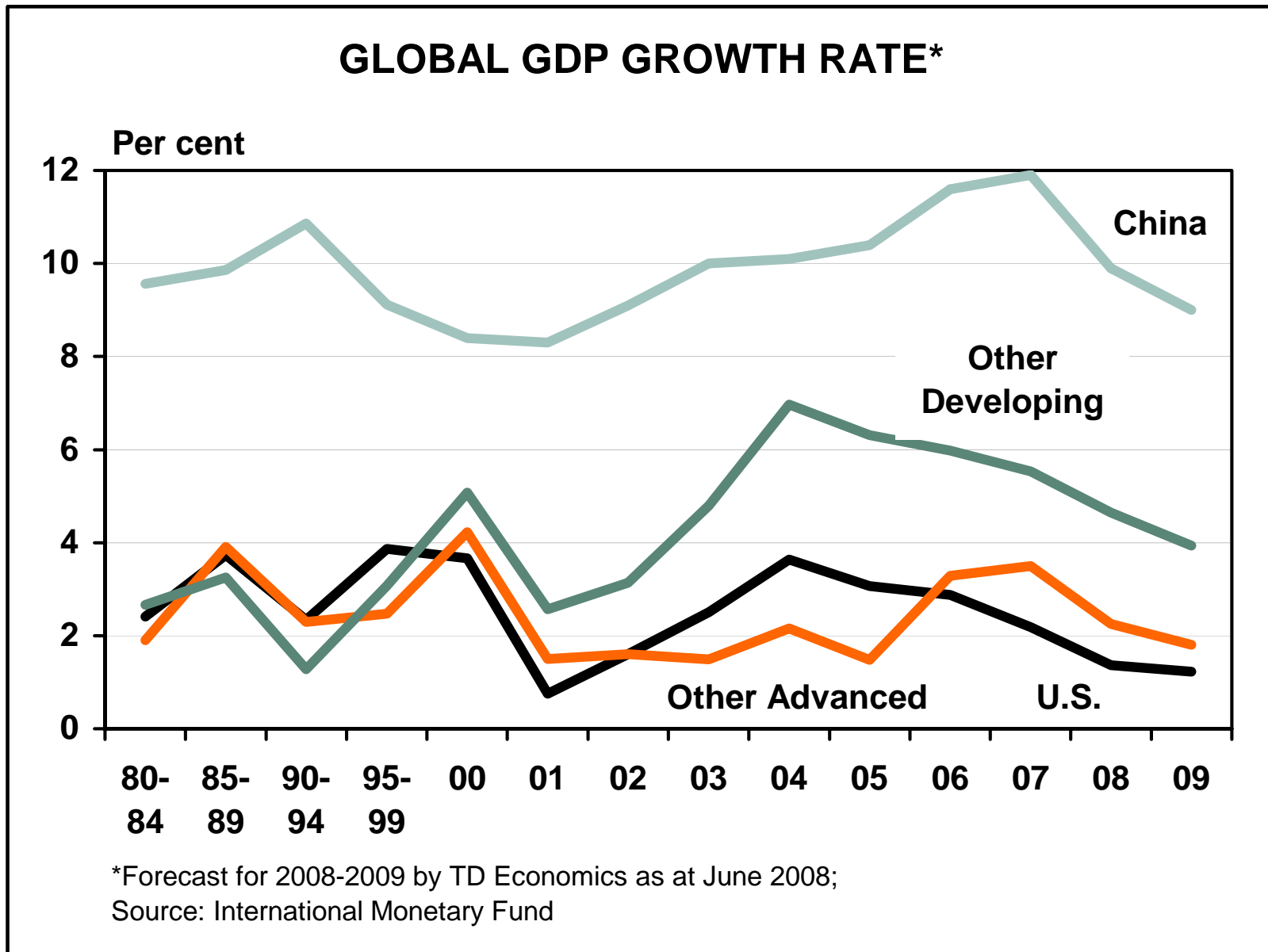
HOUSING MARKET WOES DAMPEN CONSUMER SPENDING



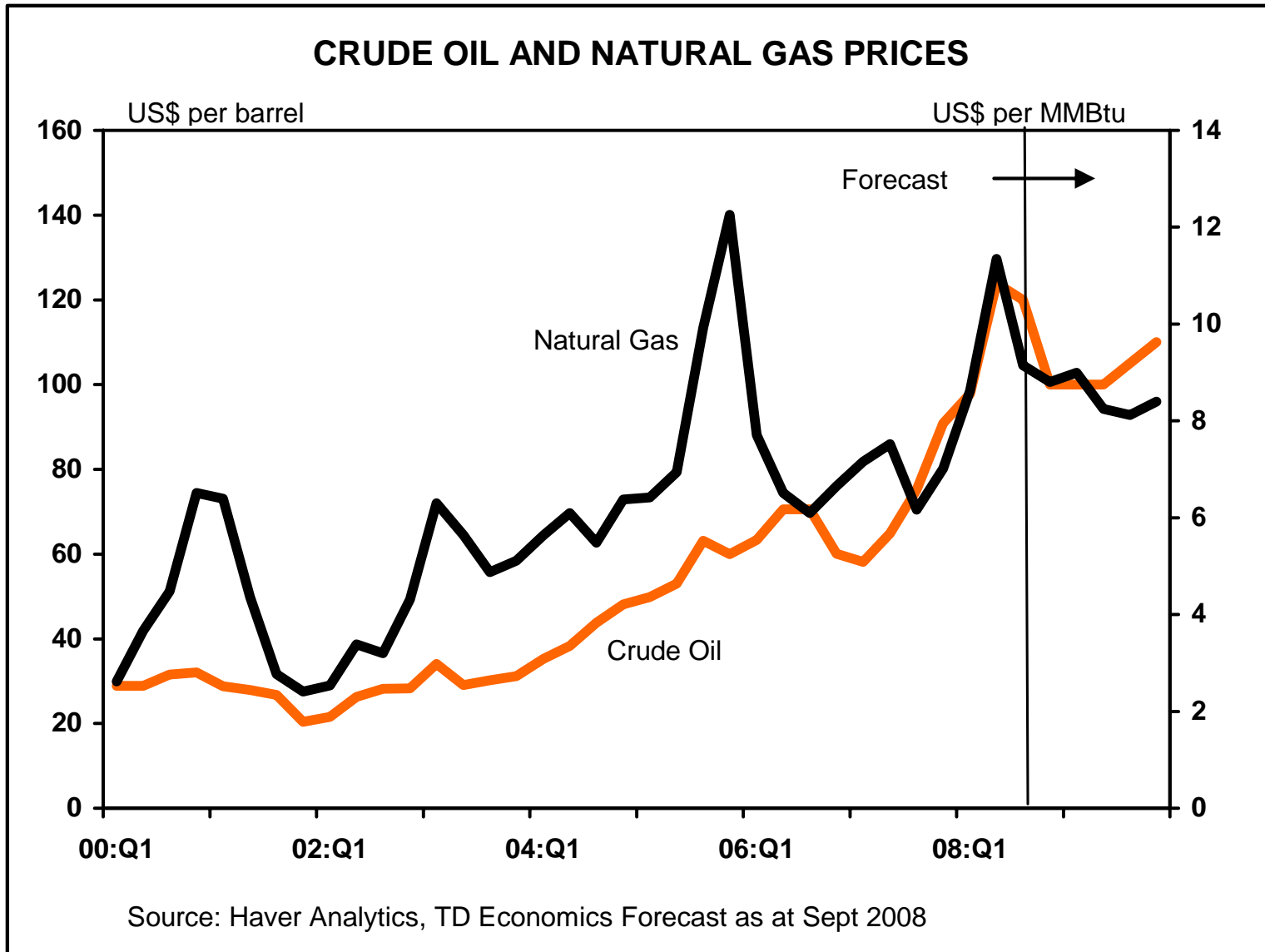
U.S. EXPORTS RISE AS US DOLLAR FALLS



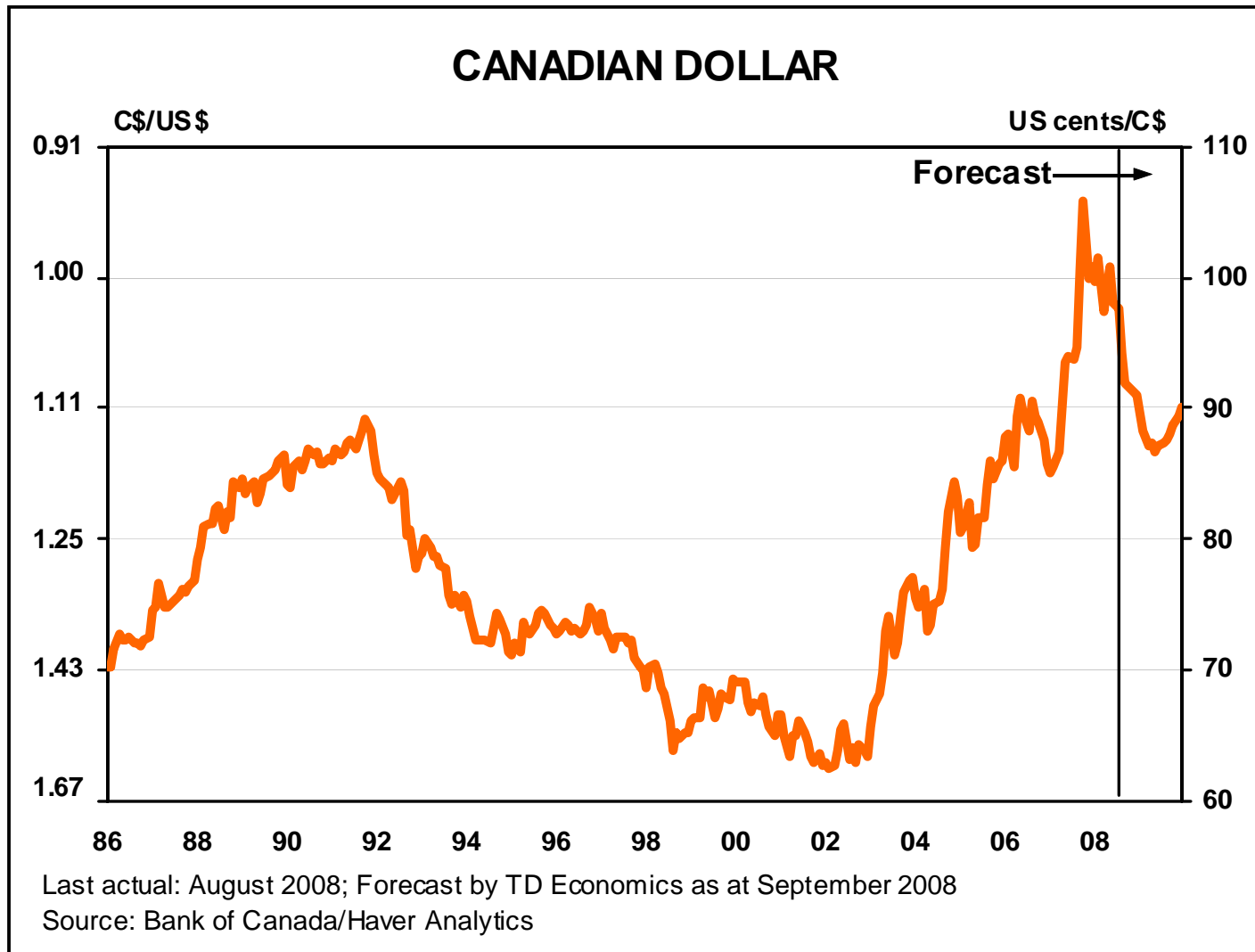
WORLD GROWTH GEARING DOWN



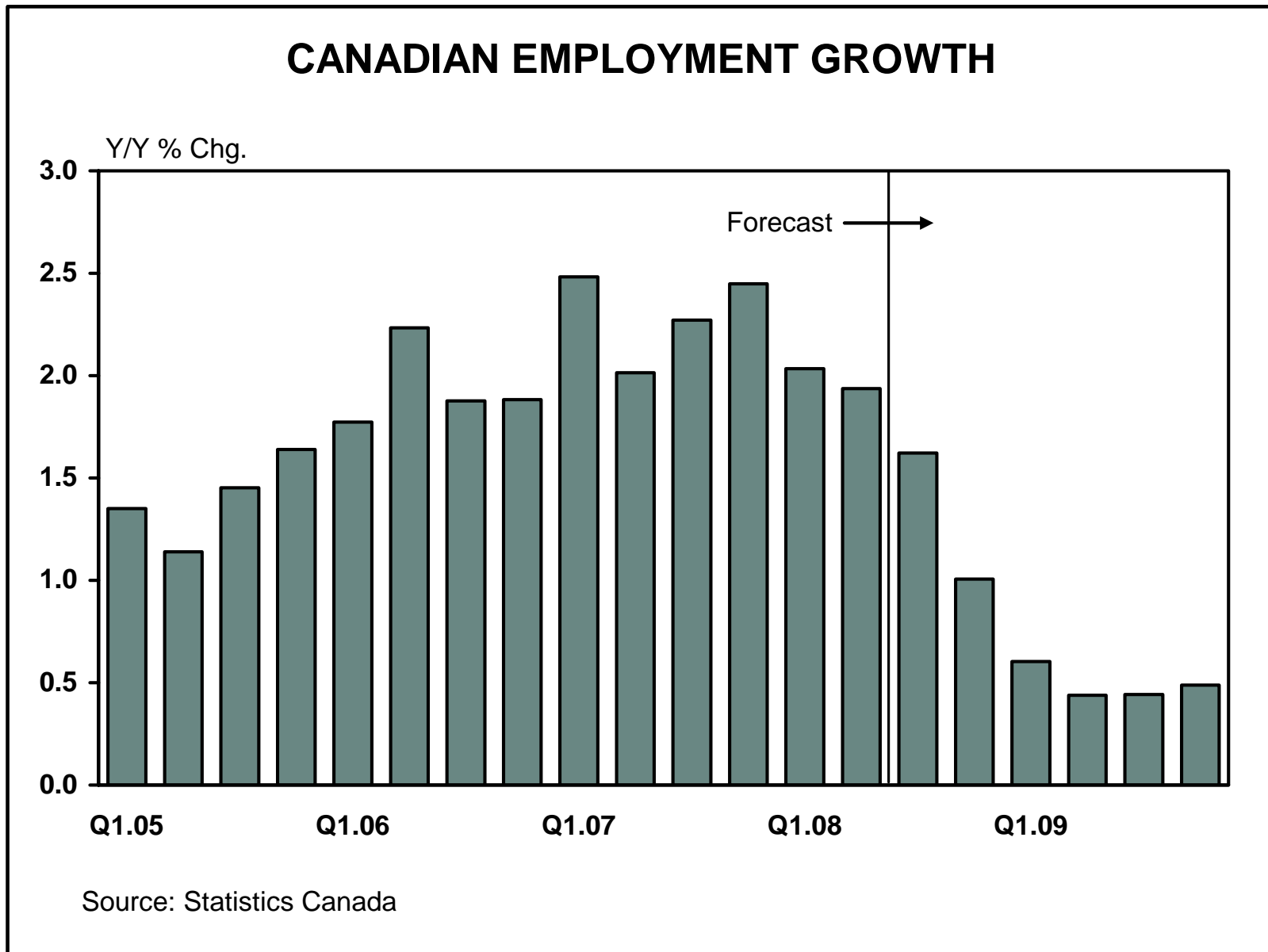
ENERGY PRICES DOWN



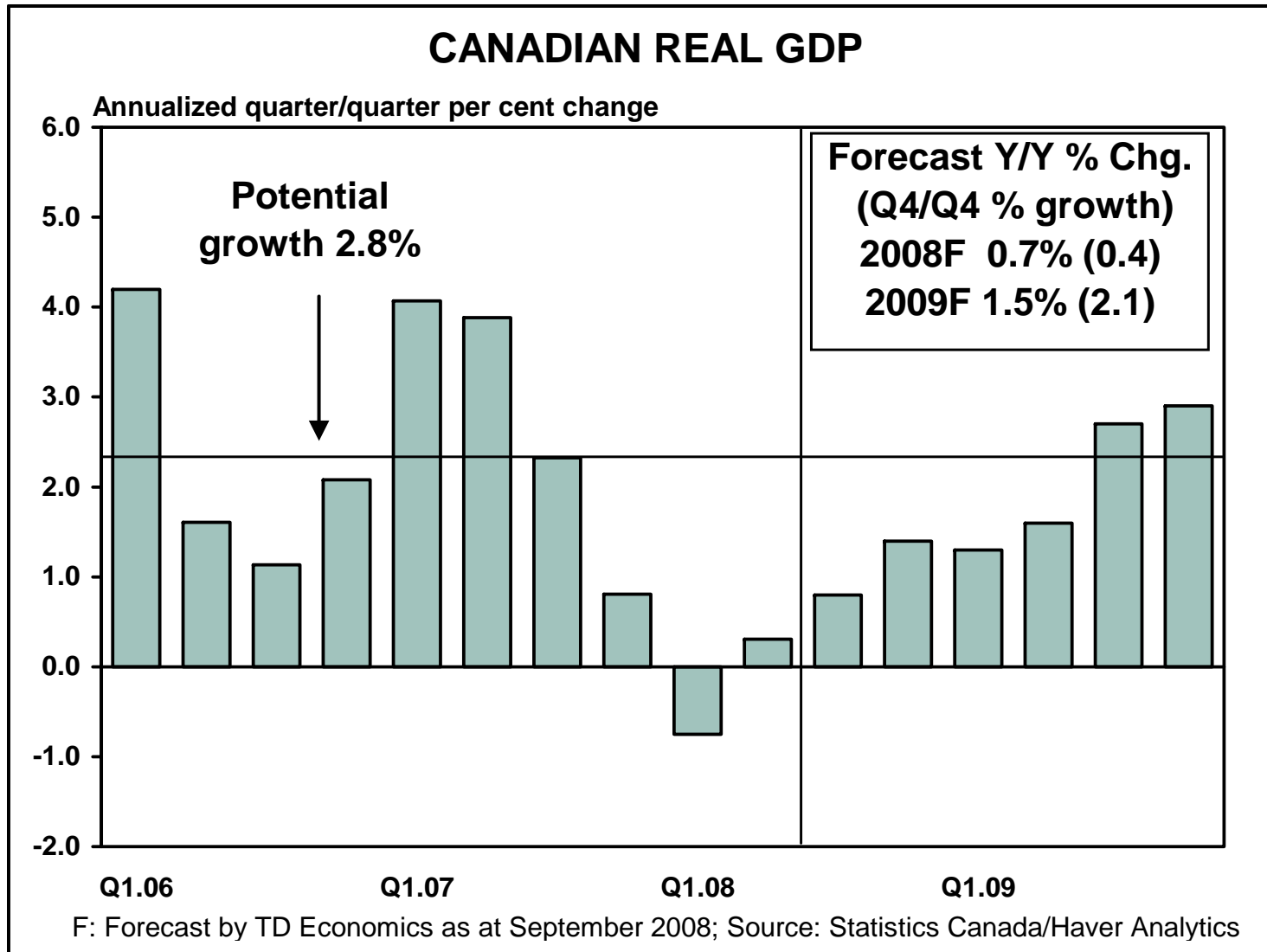
CANADIAN DOLLAR LIKELY TO SLIP, BUT REMAIN STRONG



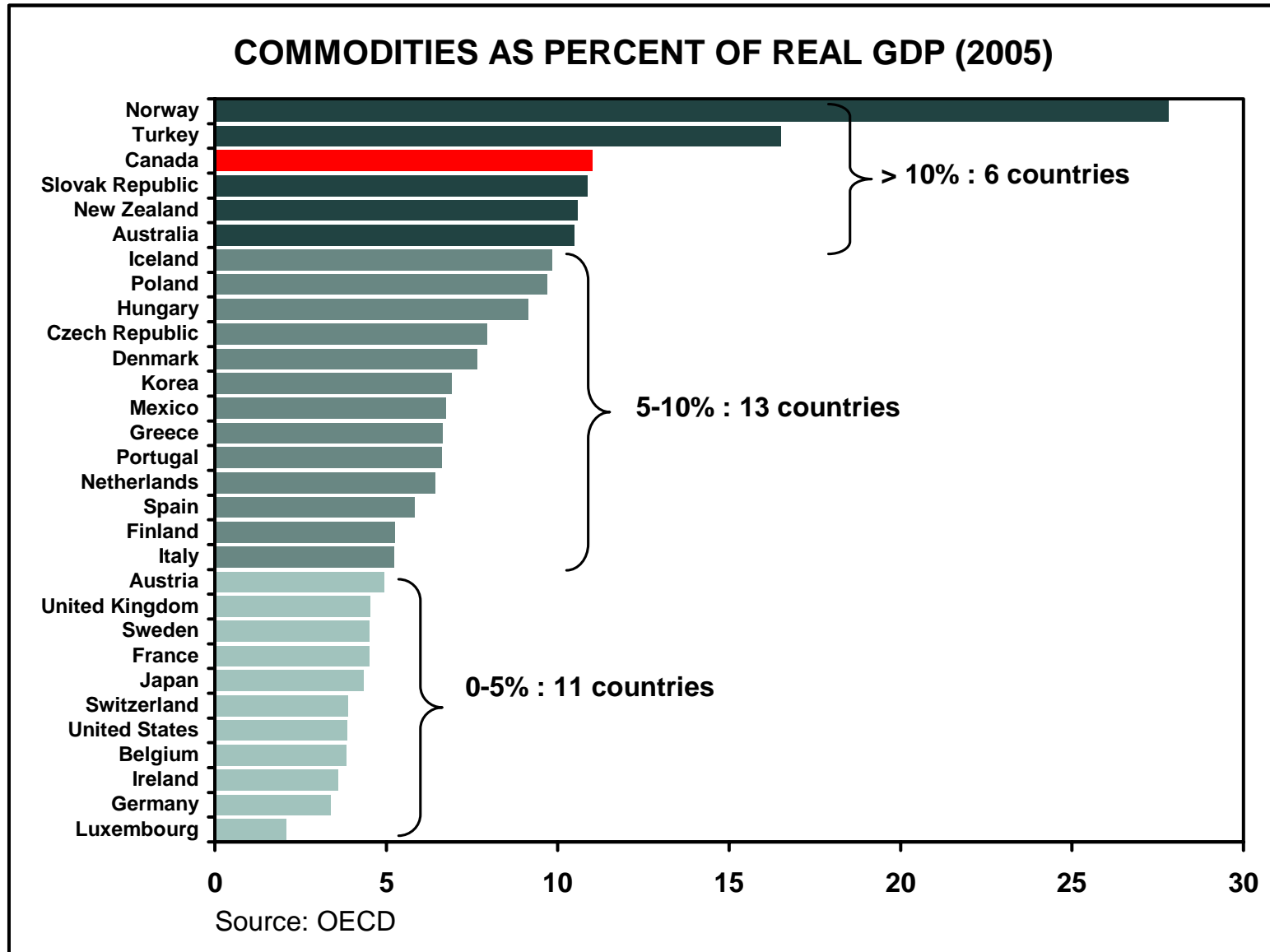
EMPLOYMENT GROWTH FADING



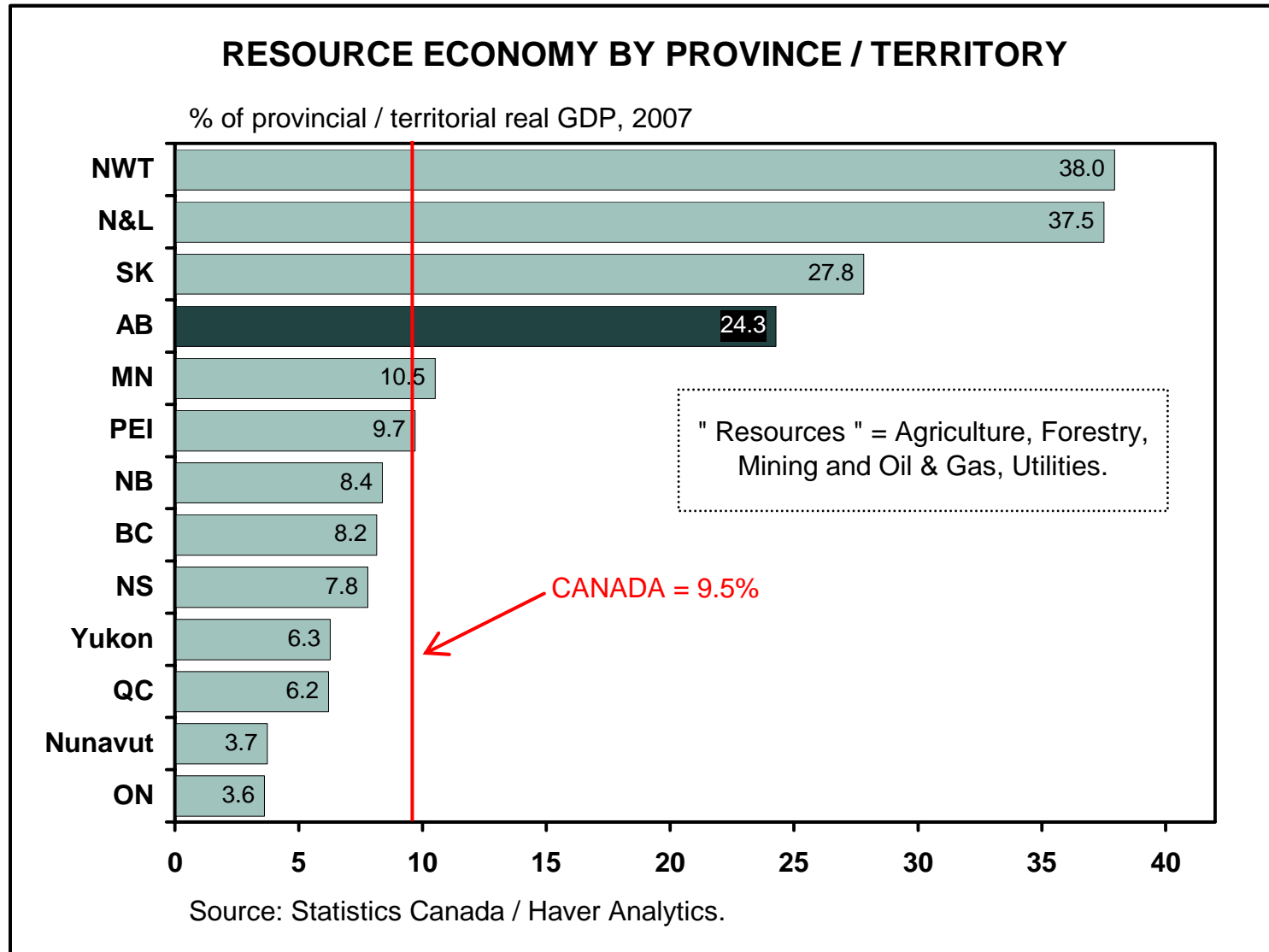
CANADIAN ECONOMIC GROWTH HAS WEAKENED



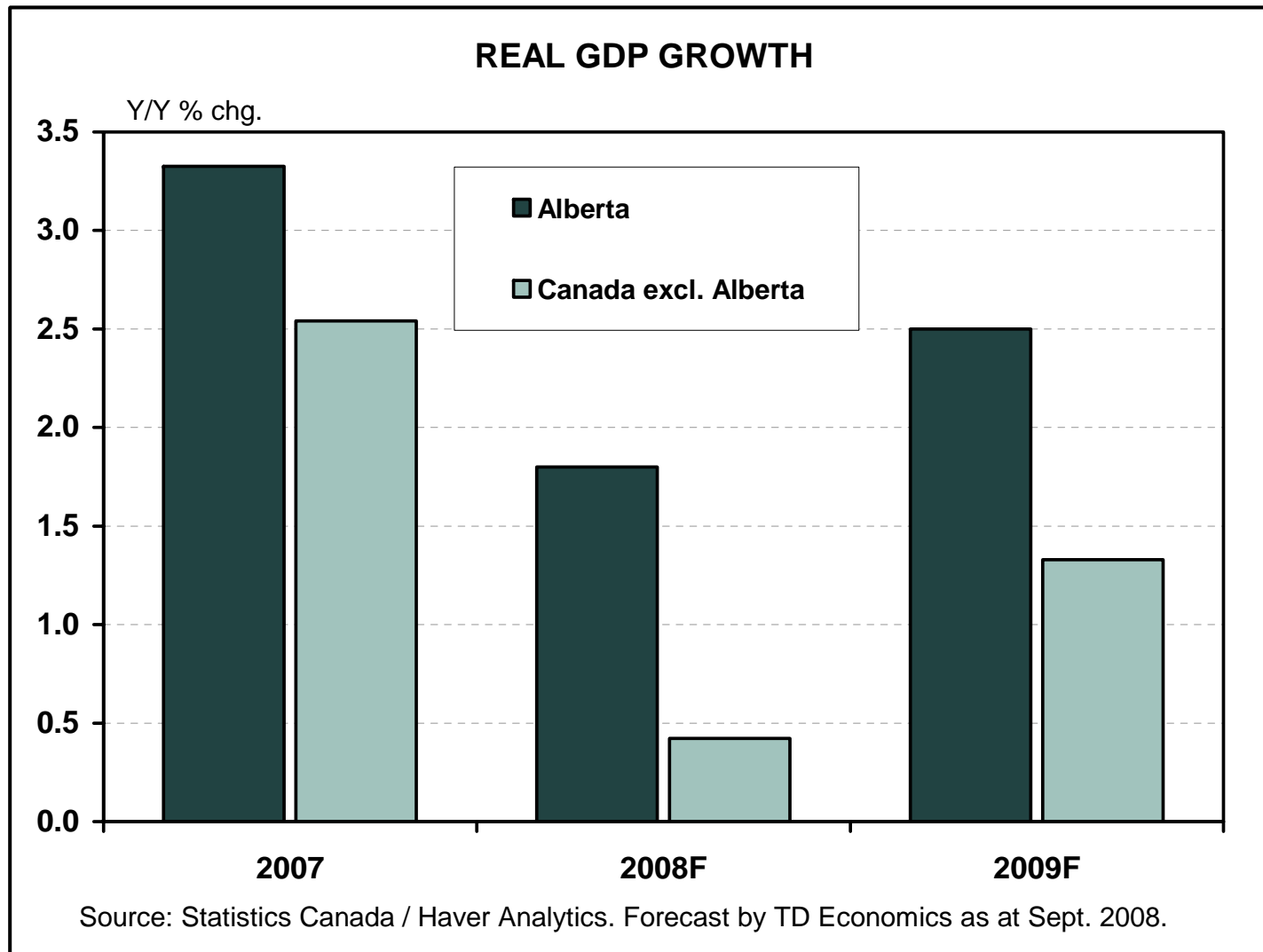
BUT CANADA IS A RESOURCE-RICH COUNTRY



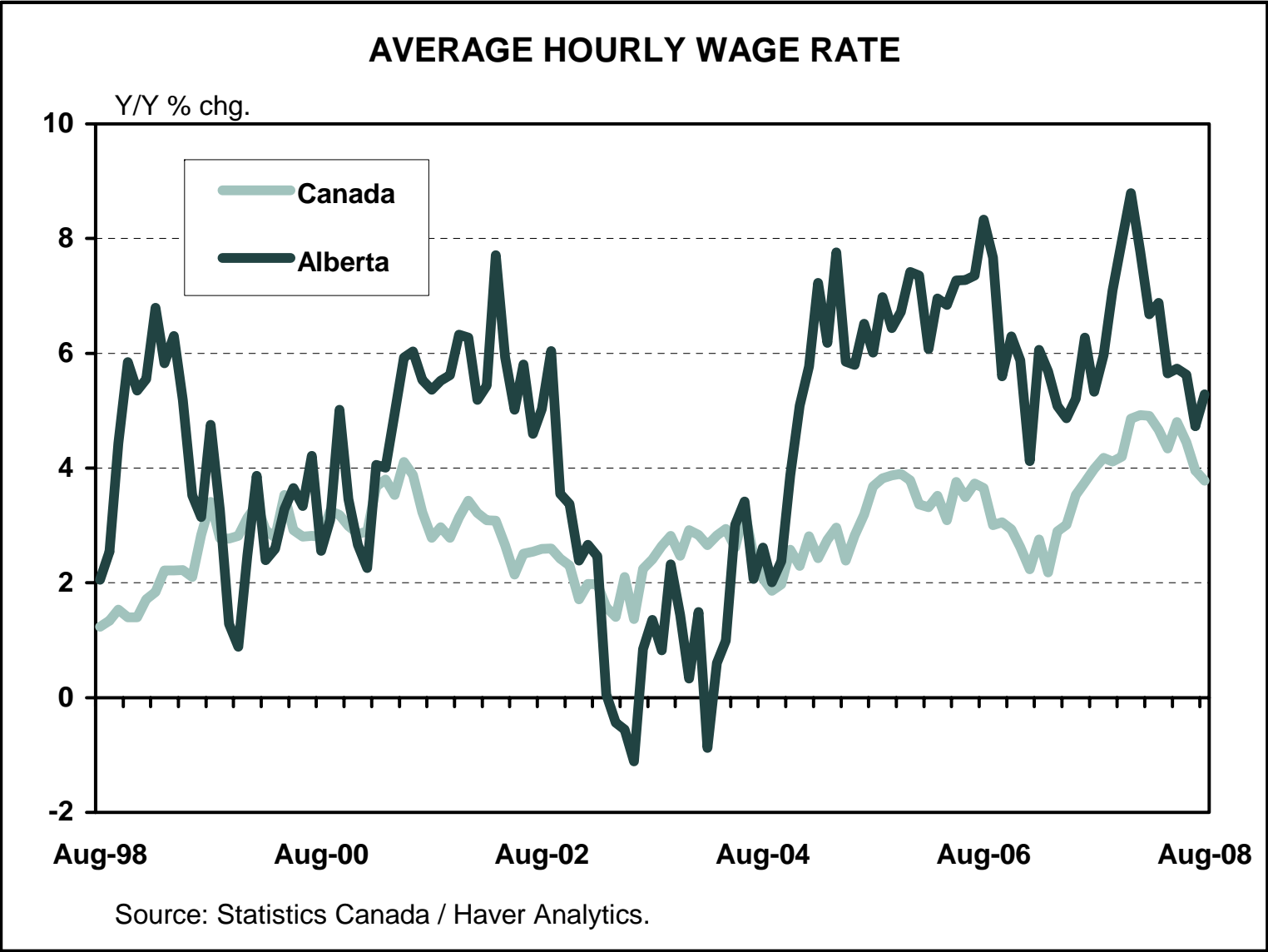
WHOSE RESOURCE ENDOWMENT IS NOT EVENLY DISTRIBUTED



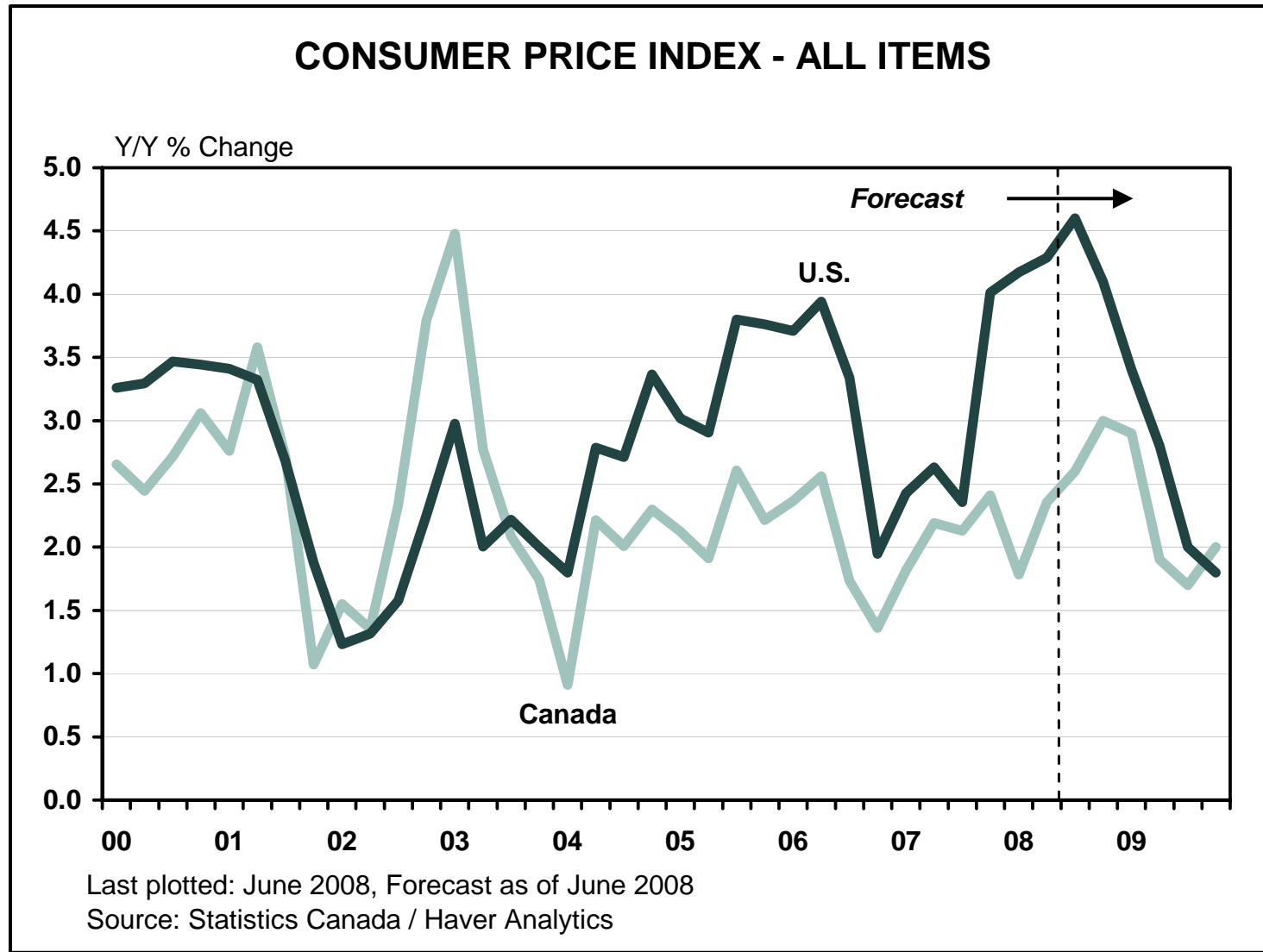
ALBERTA WILL NOT ESCAPE GLOBAL SLOWDOWN, BUT WILL STILL OUTPERFORM



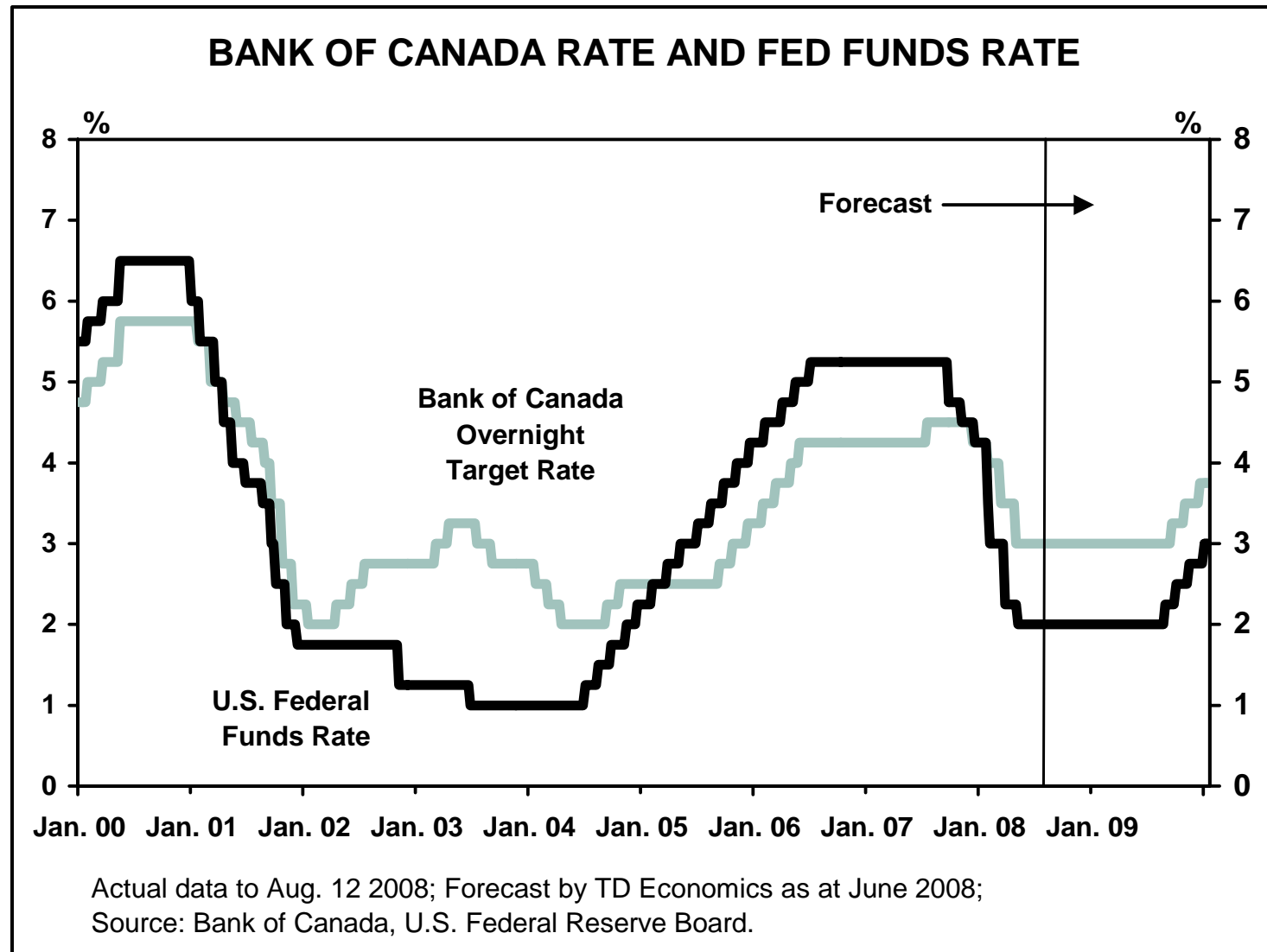
WAGE PRESSURE CAME FROM ALBERTA, AND IS ABATING



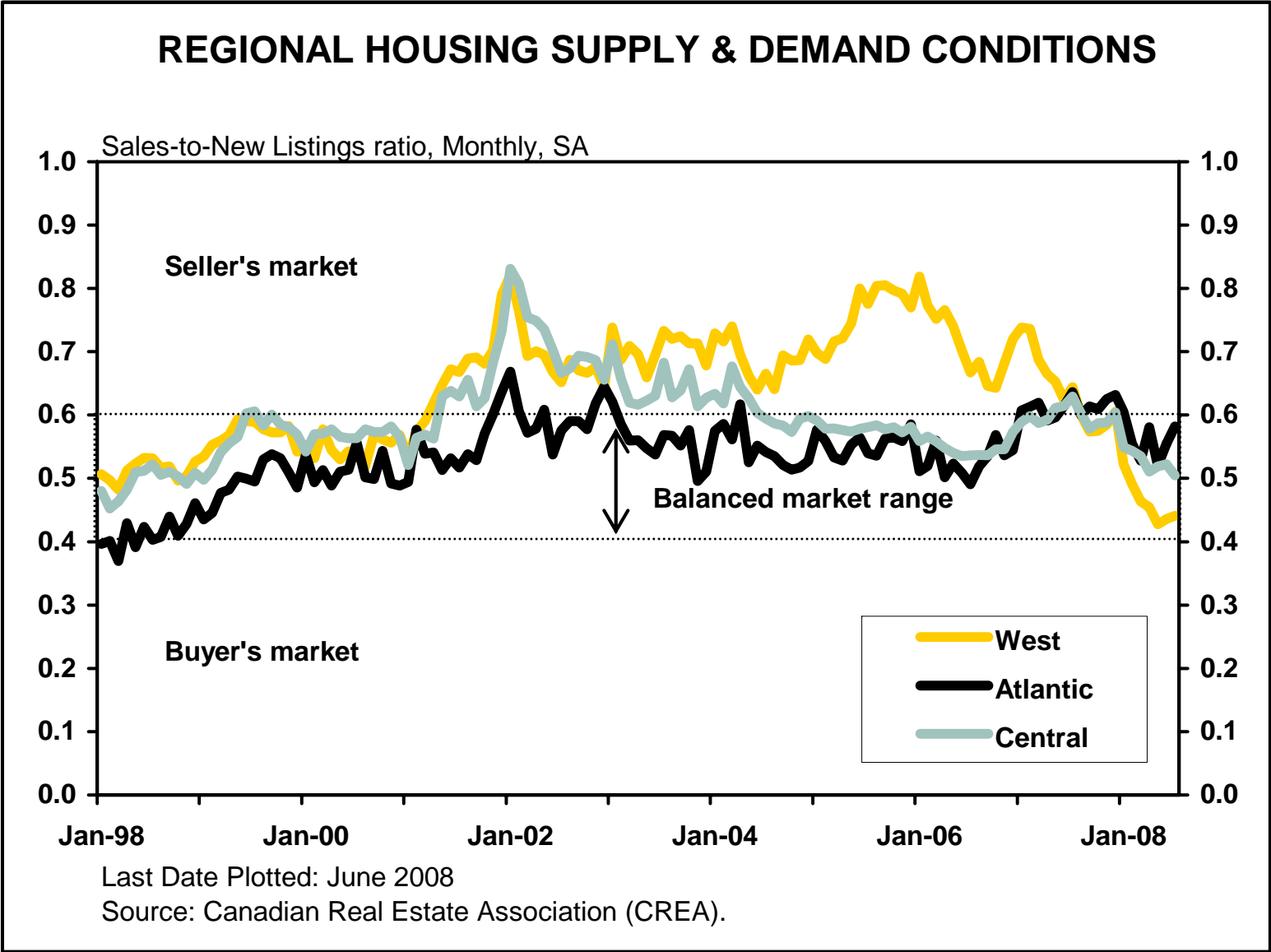
INFLATION RISKS REMAIN, BUT EXPECTED TO ABATE



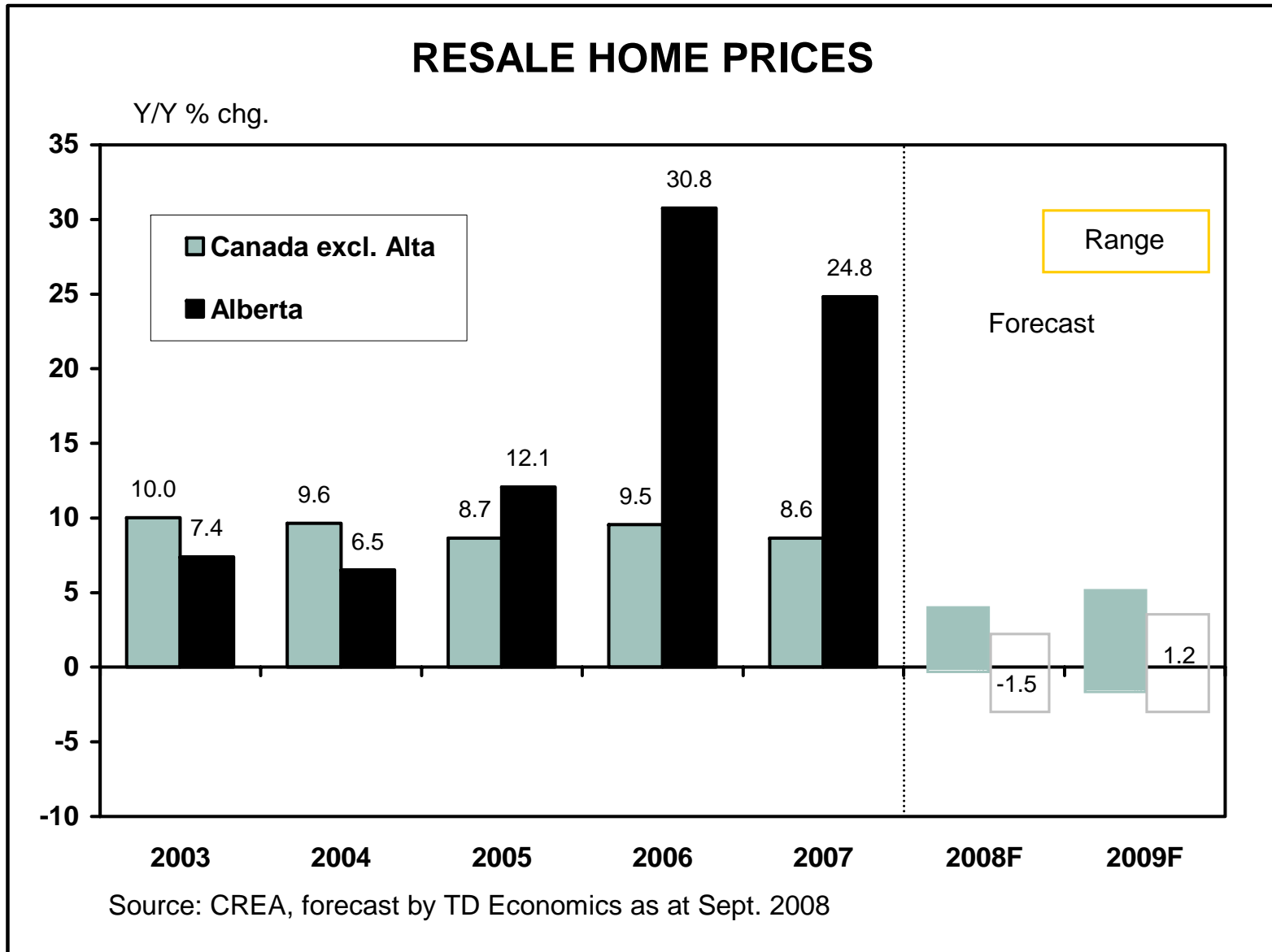
BANK OF CANADA AND FEDERAL RESERVE ON HOLD



BALANCED MARKET CONDITIONS EXPECTED

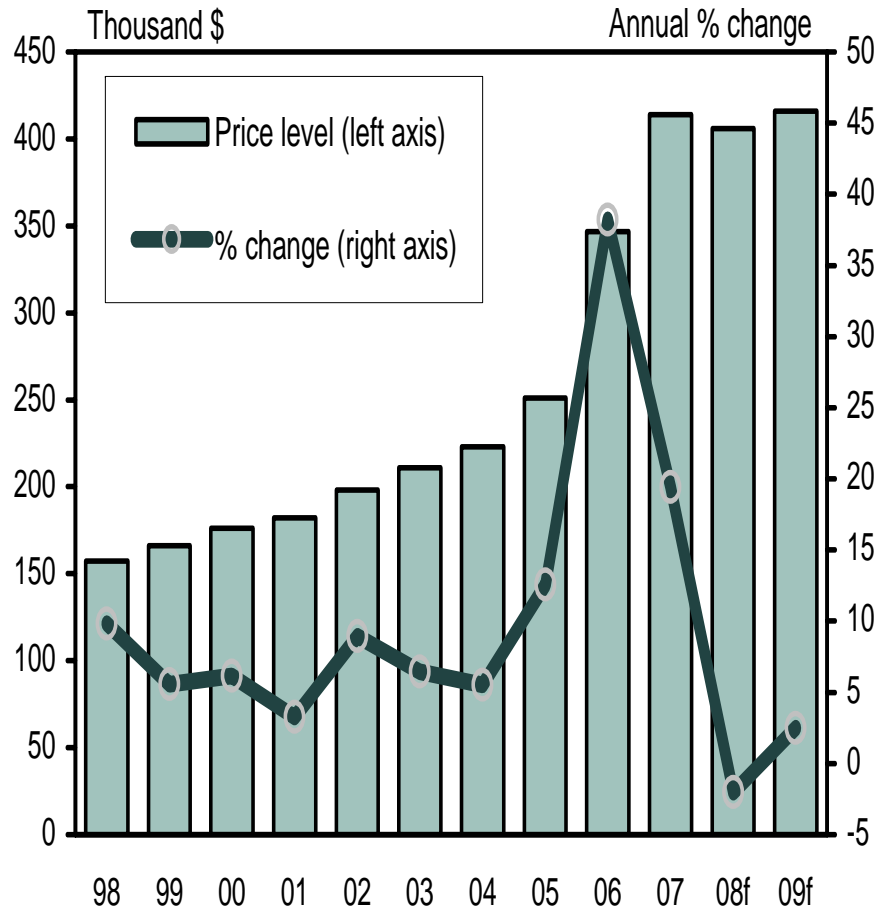


MEDIUM-TERM CORRECTION IN ALBERTA



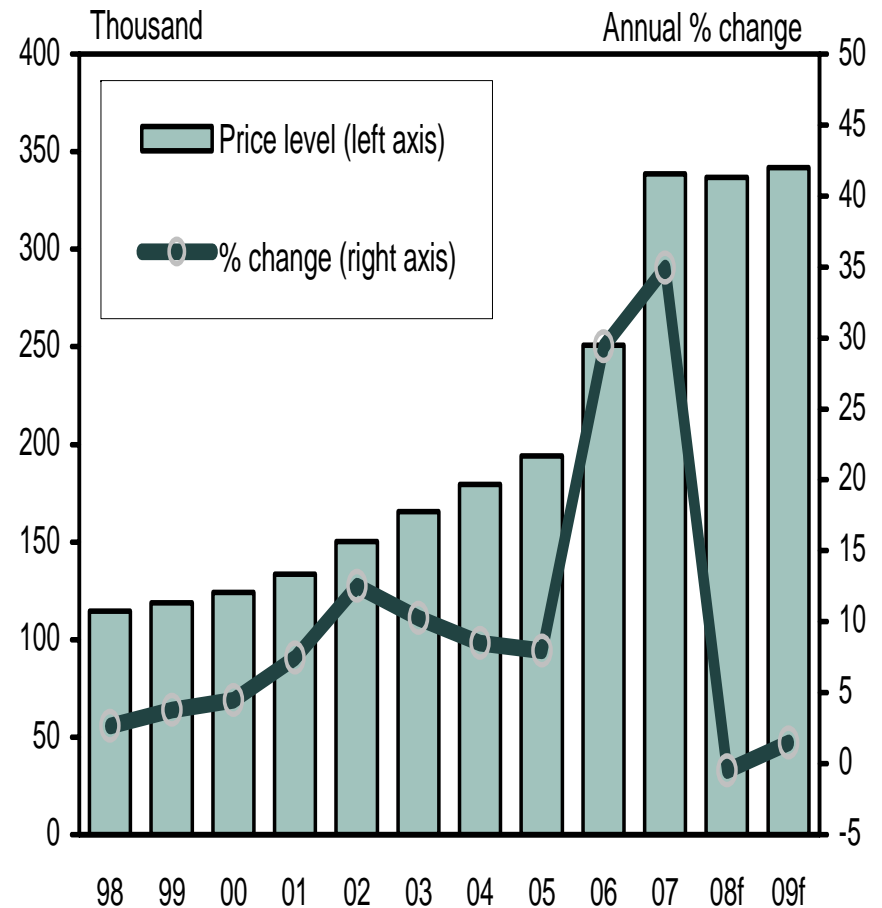
ALBERTA'S LARGEST HOUSING MARKETS

AVERAGE RESALE HOME PRICE - CALGARY



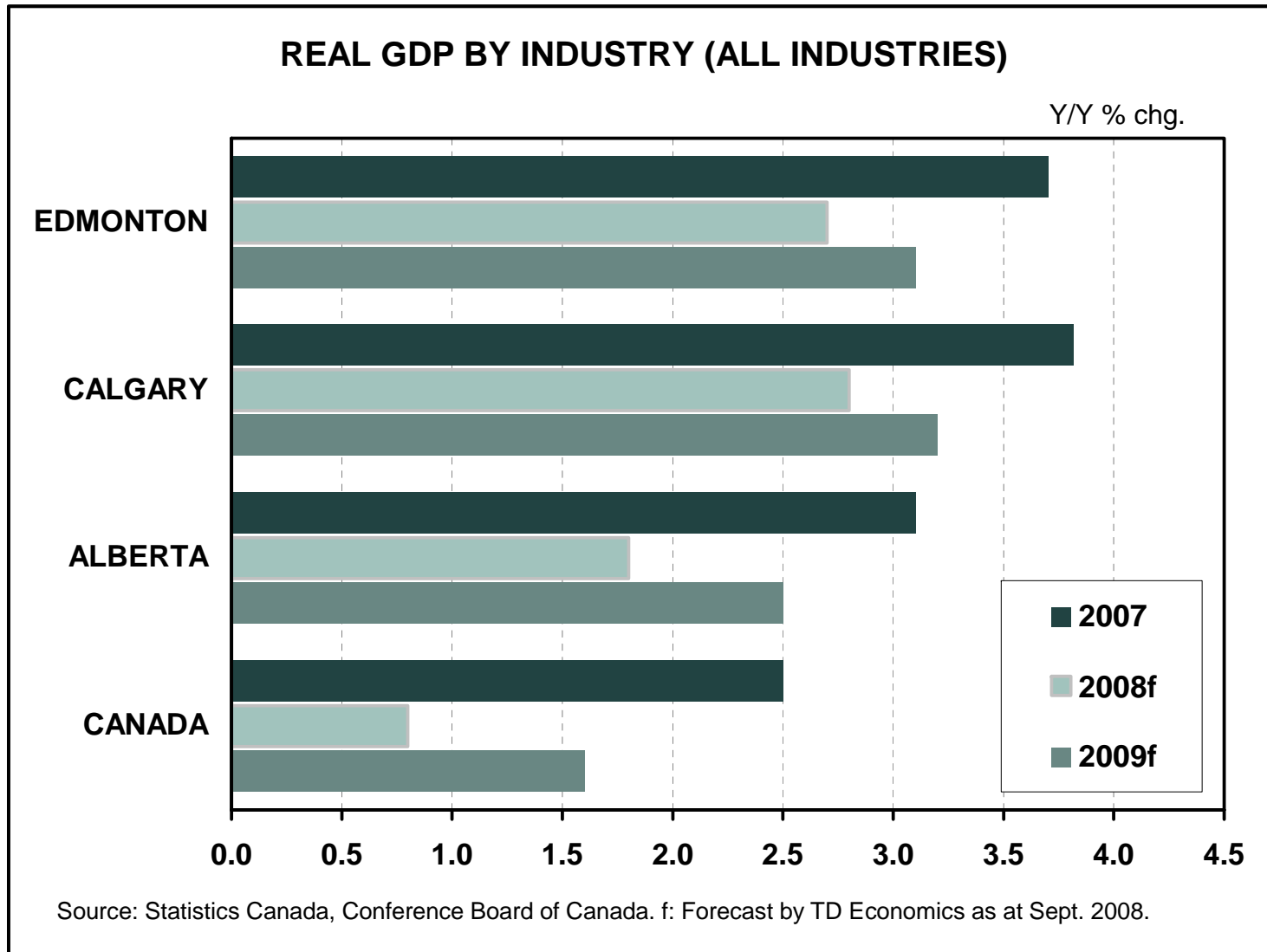
Source: CREA. f: Forecast by TD Economics as at Sept. 2007

AVERAGE RESALE HOME PRICE - EDMONTON



Source: CREA. f: Forecast by TD Economics as at Sept. 2008

PERFORMANCE OF ALBERTA'S MAJOR CITIES



TD Economics

www.td.com/economics

The information contained in this report has been prepared for the information of our customers by TD Bank Financial Group. The information has been drawn from sources believed to be reliable, but the accuracy or completeness of the information is not guaranteed, nor in providing it does TD Bank Financial Group assume any responsibility or liability.