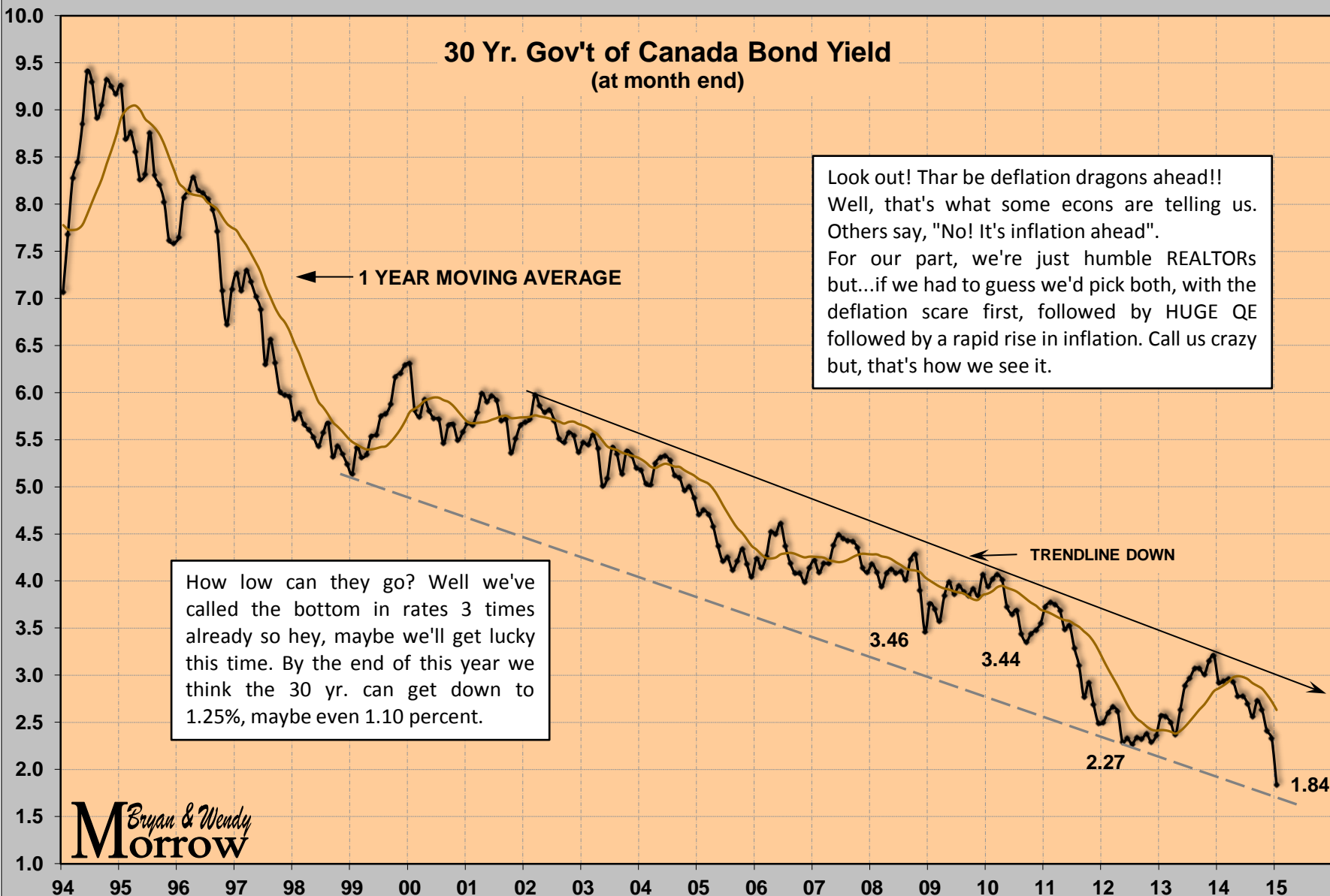


30 Yr. Gov't of Canada Bond Yield (at month end)



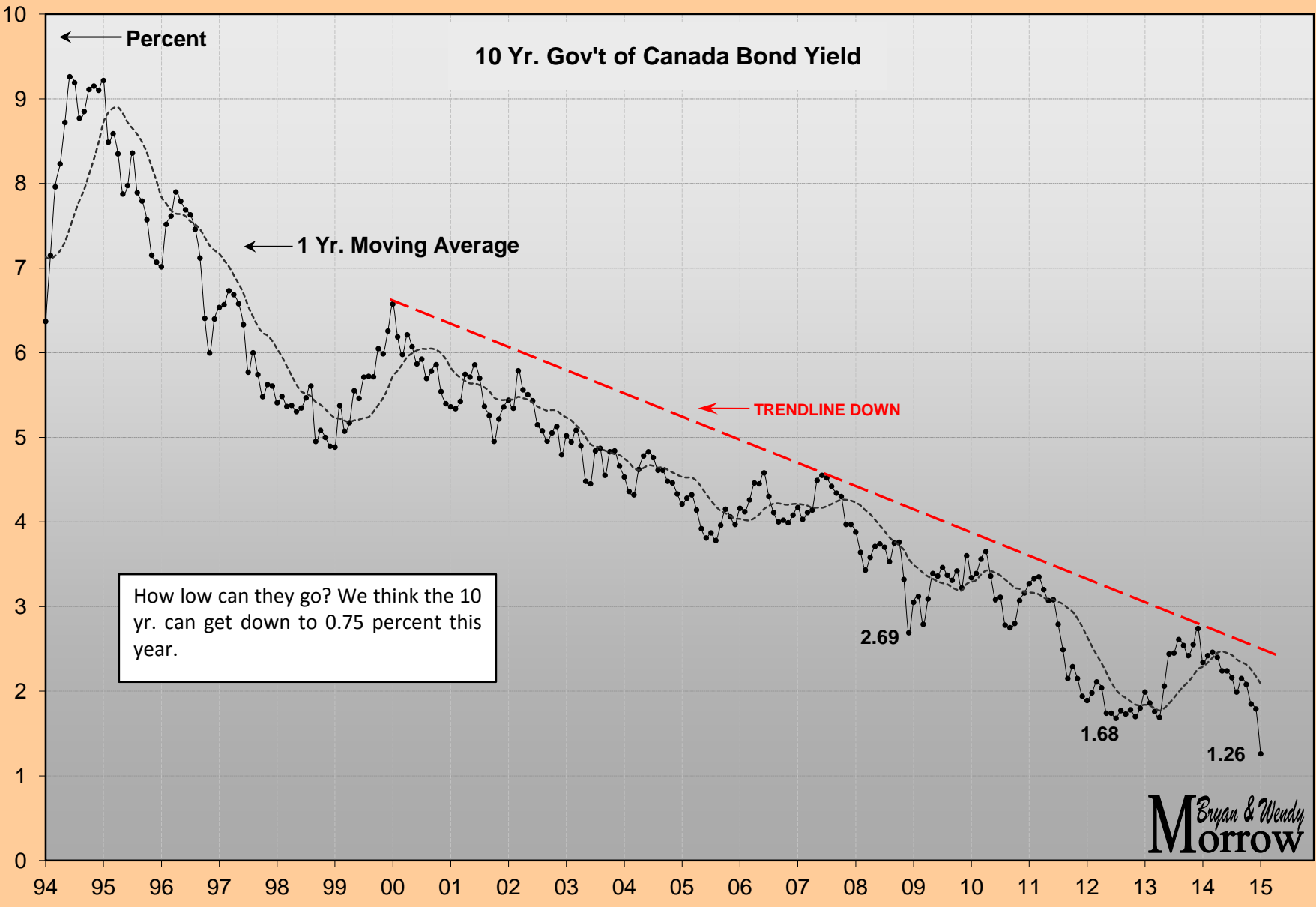
Look out! Thar be deflation dragons ahead!!
Well, that's what some econs are telling us.
Others say, "No! It's inflation ahead".
For our part, we're just humble REALTORS
but...if we had to guess we'd pick both, with the
deflation scare first, followed by HUGE QE
followed by a rapid rise in inflation. Call us crazy
but, that's how we see it.

← 1 YEAR MOVING AVERAGE

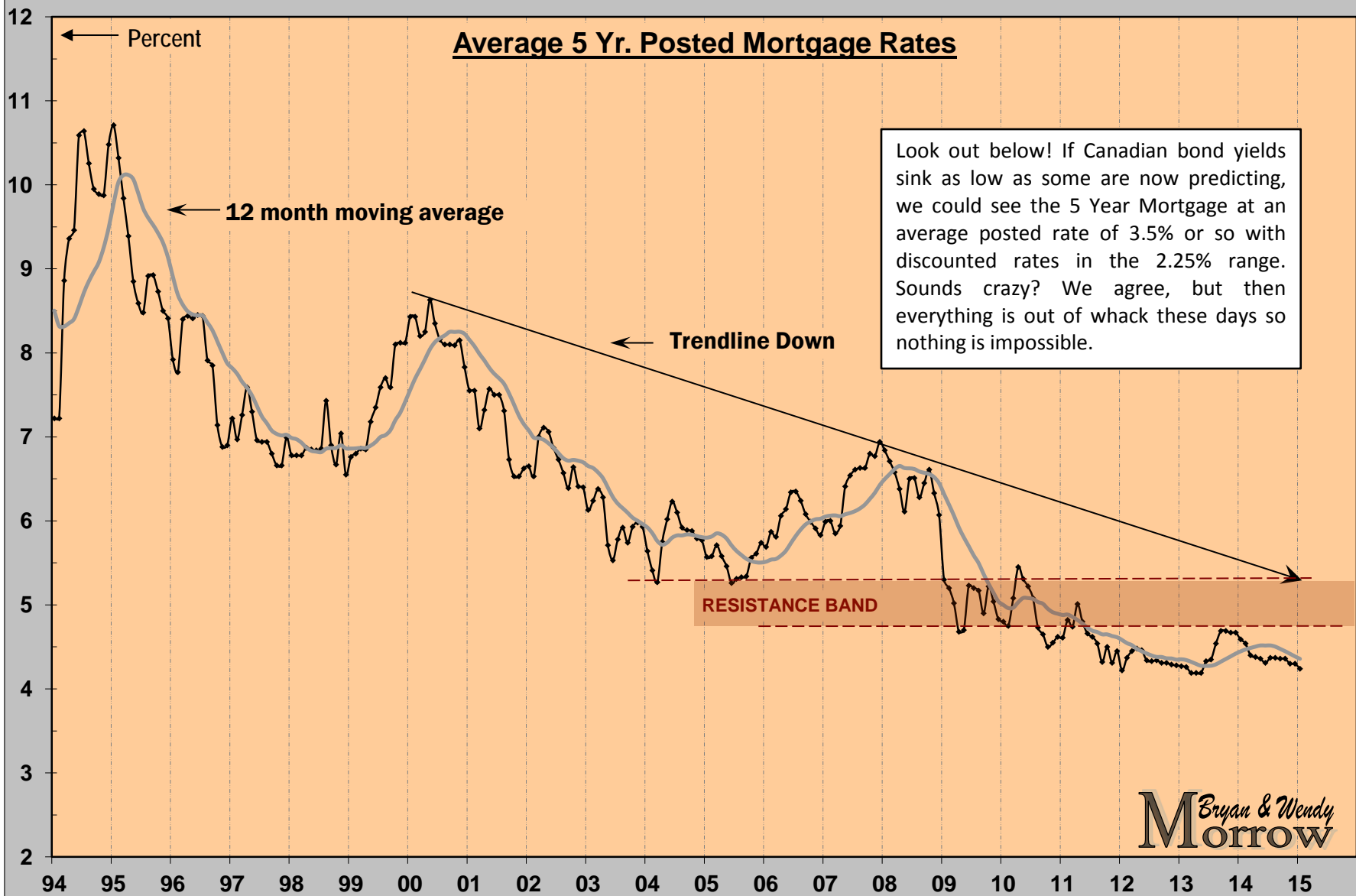
← TRENDLINE DOWN

How low can they go? Well we've called the bottom in rates 3 times already so hey, maybe we'll get lucky this time. By the end of this year we think the 30 yr. can get down to 1.25%, maybe even 1.10 percent.

10 Yr. Gov't of Canada Bond Yield



Average 5 Yr. Posted Mortgage Rates



Look out below! If Canadian bond yields sink as low as some are now predicting, we could see the 5 Year Mortgage at an average posted rate of 3.5% or so with discounted rates in the 2.25% range. Sounds crazy? We agree, but then everything is out of whack these days so nothing is impossible.