



INVESTMENT INDUSTRY ASSOCIATION OF CANADA
ASSOCIATION CANADIENNE DU COMMERCE DES VALEURS MOBILIÈRES

News Release

For immediate release

Slowdown continues in Canada's bond market...

Toronto July 25, 2008 - Widening credit spreads and unsettled markets, coupled with rising inflation and falling real yields, created difficult borrowing conditions in the latest quarter. For the first three months this year, total debt issuance declined 18% quarter-over-quarter. The fall was broad-based, with a notable pullback in provincial and municipal financings. Although issuance fell short of last year's Q1 level, encouragingly, debt trading activity remained steady with \$1.7 billion worth of bonds exchanging hands in the quarter. The Investment Industry Association of Canada (IIAC) today released its periodical [*An Issue of Debt: Inside Canada's Debt Markets*](#) that includes analysis and results for the first quarter of 2008.

"Rising inflation and falling bond yields pose serious challenges to the Canadian fixed income markets," said Ian Russell, President and CEO, IIAC. "Markets remain confident, central banks in Canada and across global markets will take necessary action to contain inflationary pressures."

The publication's feature article takes an in-depth look into Canada's Maple bond market. To view the publication visit www.iiac.ca.

The Investment Industry Association of Canada (IIAC) advances the position of the Canadian investment industry on regulatory and public policy issues. As the professional association for the industry, IIAC has a mandate to promote efficient, fair and competitive capital markets for Canada while helping its member firms across the country succeed in the industry.

- 30 -

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