RBC Cash Index: U.S. Consumer Confidence Hovers Near Six-year Low
Expectations for the Future Return to Negative Territory

New York, NY, December 12, 2008 — Consumer sentiment plunged to a near all-time low as Americans continued to be bombarded with bleak economic news, according to the most recent results of the RBC CASH (Consumer Attitudes and Spending by Household) Index. The survey found that, while consumer attitudes regarding investing show signs of stabilizing, Americans' confidence in their future personal financial conditions, current conditions and the jobs market continue to erode. As a result, the overall RBC CASH Index stands at 15.3 for December, 19.4 points below November's 34.7 level, and nearly in line with the all-time low of 14.6 reached in July 2008.

"The rebound in sentiment in late summer due to falling oil prices has been almost completely reversed as newer problems, including the credit crunch, deteriorating jobs market and problems in Detroit, have erupted," said T.J. Marta, Economic and Fixed Income strategist for RBC Capital Markets. "Consumer sentiment is back near the record low reached in July, and that is consistent with consumers retrenching in what is likely to prove a hard landing for the economy."

The RBC CASH Index is a monthly national survey of consumer attitudes on the current and future state of local economies, personal finance situations, savings and confidence to make large investments. The Index is composed of four sub-indices: RBC Current Conditions Index; RBC Expectations Index; RBC Investment Index; and, RBC Jobs Index. The Index is benchmarked to a baseline of 100 assigned at its introduction in January 2002. This month's findings are based on a representative nationwide sample of 1,000 U.S. adults polled from December 4 - 8, 2008, by survey-based research company Ipsos Public Affairs. The margin of error was ±3.1 per cent.

Highlights of the survey results include:

- The ***RBC Jobs Index*** dropped more than 8 points in December to 65.6, compared to 74.0 last month. Personal job loss experience has now touched half of all Americans, as 50 per cent of consumers report job loss in their immediate circle, compared to 48 per cent last month and 43 per cent in October.

- Americans' gloomy outlook was underscored by the plunge seen in the ***RBC Expectations Index***, which dropped 44.5 points, to -21.2, the first time the index has been in negative territory since August 2008. The sharp decline in the index is being driven by job worries and a drop in consumers' expectations for their local economy. In December, nearly one-third of consumers (31 per cent) believe their local economy will be weaker six months from now, up from 24 per cent last month.

- The ***RBC Current Conditions Index*** dropped to an all-time low in December and currently stands at 16.5, compared to 25.6 last month. Consumers' worries over the current state of their local economy fed the decline in the index, as more than half of all Americans (53 per cent) rate their local economy as weak to very weak, up from 46 per cent last month. Ratings of current personal finances also declined, with 36 per cent of Americans rating their current financial situation as weak, compared to 33 per cent in November.

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- Americans' overall opinions regarding investing remained relatively stable this month although at the lowest level ever. The ***RBC Investment Index***, which was at 34.8 in November, currently stands at 31.0, a new low since the index was created in 2002. Americans continue to be cautious about making major purchases and, two-thirds of Americans (65 per cent) now believe the next 30 days will be a bad time to invest in the stock market, versus 62 per cent last month.

The entire RBC CASH Index report can be viewed at: www.rbc.com/newsroom/rbc-cash-index.html.

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