



CAD\$ FOREIGN EXCHANGE CROSSES			CANADA BENCHMARKS						
CROSS	SPOT	CHANGE	TERM	COUPON	MATURITY	PRICE	YIELD	\$ CHANGE	
USD/CAD	1.261	0.0033	2 Year	1.250	1-Nov-19	99.127	1.83	-0.04	
CAD/USD	0.793	-0.0021	5 Year	1.000	1-Sep-22	95.48	2.09	-0.16	
EUR/CAD	1.552	-0.0035	10 Year	1.000	1-Jun-27	89.791	2.24	-0.34	
GBP/CAD	1.790	0.0068	30 Year	2.750	1-Dec-48	108.720	2.35	-0.69	
CAD/JPY	85.105	0.2220							

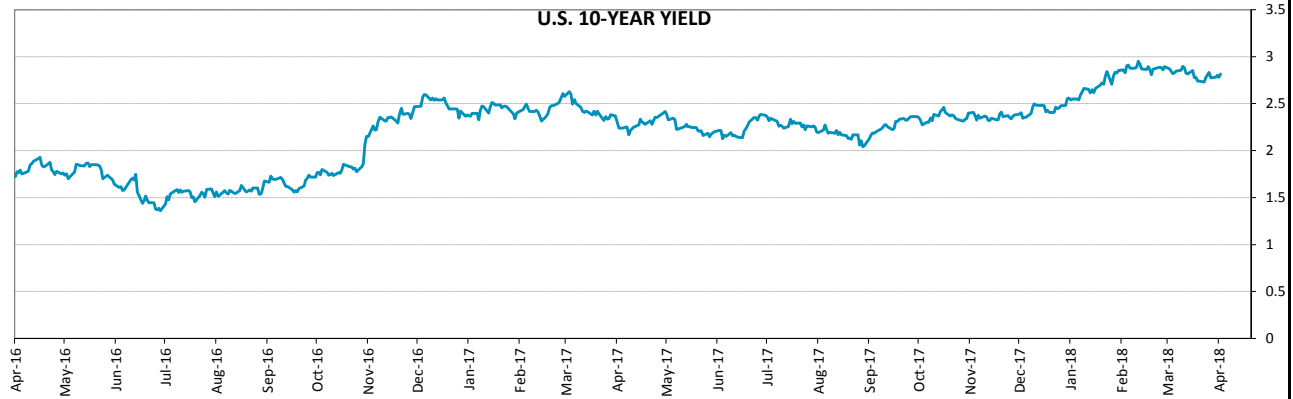
  

US\$ FOREIGN EXCHANGE CROSSES			U.S. BENCHMARKS						
CROSS	SPOT	CHANGE	TERM	COUPON	MATURITY	PRICE	YIELD	\$ CHANGE	
EUR/USD	1.231	-0.0059	2 Year	1.875	31-Dec-19	99.250	2.64	-0.05	
GBP/USD	1.419	0.0017	5 Year	2.125	31-Aug-22	97.711	2.64	-0.16	
USD/JPY	107.360	0.5700	10 Year	2.250	15-Nov-27	95.219	2.82	-0.30	
			30 Year	2.750	15-Nov-47	94.500	3.03	-0.66	

CANADIAN DOLLAR (PER U.S. DOLLAR)



U.S. 10-YEAR YIELD



**DAILY COMMENTARY**

Today is a risk-on day as tensions have eased in the Middle East. Bond prices are lower but the ten-year remains in the 2.80% area. The loonie remains near recent highs.

Source: Bloomberg, Odium Brown



ECONOMIC RELEASES							CANADA/U.S. SPREADS			YIELD CURVE SHIFTS																																									
DATE	CANADA	EST	ACTUAL	USA	EST	ACTUAL	0	BPs	CHANGE	ROLL	SPREAD	CHANGE																																							
MON							3 Month	-0.61	0.051	2 - 5 Year	0.23	0.01																																							
								-0.46	0.000	2 - 10 Year	0.37	0.02																																							
							5 Year	-0.55	-0.002	2 - 30 Year	0.47	0.00																																							
TUE	Housing Starts Building Permits MoM	217.5k -1.80%	225.2k -2.6%	NFIB Small Optimism PPI Core MoM PPI Core YoY Wholesale Trade Sales MoM Wholesale Inventories	107.00 0.20% 2.60% 0.80%	104.70 0.30% 2.90%	10 Year	-0.57	-0.008	5 - 10 Year	0.14	0.00																																							
							30 Year	-0.68	0.007	10 - 30 Year	0.11	-0.01																																							
WED				MBA Mortgage Applications CPI Core MoM CPI Core YoY Real Avge. Wkly Earnings Real Avge. Hrly Earnings Mthly Budget FOMC Minutes	0.2% 2.4 (\$185b)	-1.9% 0.2% 2.4% 0.9% 0.40%	<table border="1"> <thead> <tr> <th>U.S. RATES</th> <th>CDN MONEY MARKET</th> <th>CANADIAN RATES</th> </tr> </thead> <tbody> <tr> <td>PRIME 4.75</td> <td>Bankers' Acceptances</td> <td>PRIME 3.45</td> </tr> <tr> <td>BANK RATE 3.50</td> <td>30 Day 1.63</td> <td>BANK RATE 1.25</td> </tr> <tr> <td>FED FUNDS 1.75</td> <td>60 Day 1.67</td> <td></td> </tr> <tr> <td>DISCOUNT 2.25</td> <td>90 Day 1.74</td> <td></td> </tr> <tr> <td>LIBOR 3MO</td> <td></td> <td></td> </tr> </tbody> </table>			U.S. RATES	CDN MONEY MARKET	CANADIAN RATES	PRIME 4.75	Bankers' Acceptances	PRIME 3.45	BANK RATE 3.50	30 Day 1.63	BANK RATE 1.25	FED FUNDS 1.75	60 Day 1.67		DISCOUNT 2.25	90 Day 1.74		LIBOR 3MO																										
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THU	Teranet House Prices Teranet House Prices New House Price Index New House Price Index	0.1% 3.00%	0.0% 6.6% -0.2% 2.60%	Initial Jobless Claims Continuing Claims Import Price Index Import Price Index YoY Export Price Index Export Price Index YoY BBG Consumer Confidence	230k 1832k 0.1% 3.8% 0.1%	233k 1871k 0.0% 3.6% 0.3% 58.0	<table border="1"> <thead> <tr> <th colspan="3">CANADA YIELD CURVE</th> </tr> <tr> <th colspan="3">January 3, 2012 - Today</th> </tr> </thead> <tbody> <tr> <td>Term</td> <td>Yield (Today)</td> <td>Yield (Jan 3, 2012)</td> </tr> <tr> <td>1</td> <td>0.2491</td> <td>0.2491</td> </tr> <tr> <td>2</td> <td>0.81</td> <td>0.81</td> </tr> <tr> <td>3</td> <td>0.97</td> <td>0.97</td> </tr> <tr> <td>4</td> <td>0.970</td> <td>0.970</td> </tr> <tr> <td>5</td> <td>1.010</td> <td>1.010</td> </tr> <tr> <td>6</td> <td>1.200</td> <td>1.200</td> </tr> <tr> <td>7</td> <td>1.300</td> <td>1.300</td> </tr> <tr> <td>8</td> <td>1.540</td> <td>1.540</td> </tr> <tr> <td>9</td> <td>1.990</td> <td>1.990</td> </tr> <tr> <td>10</td> <td>2.57</td> <td>1.990</td> </tr> </tbody> </table>						CANADA YIELD CURVE			January 3, 2012 - Today			Term	Yield (Today)	Yield (Jan 3, 2012)	1	0.2491	0.2491	2	0.81	0.81	3	0.97	0.97	4	0.970	0.970	5	1.010	1.010	6	1.200	1.200	7	1.300	1.300	8	1.540	1.540	9	1.990	1.990	10	2.57	1.990
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