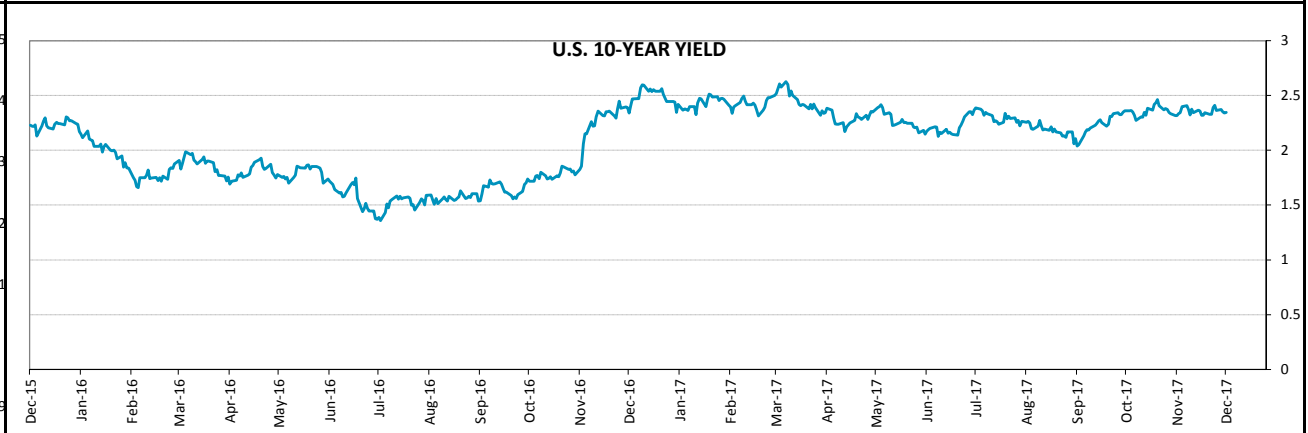
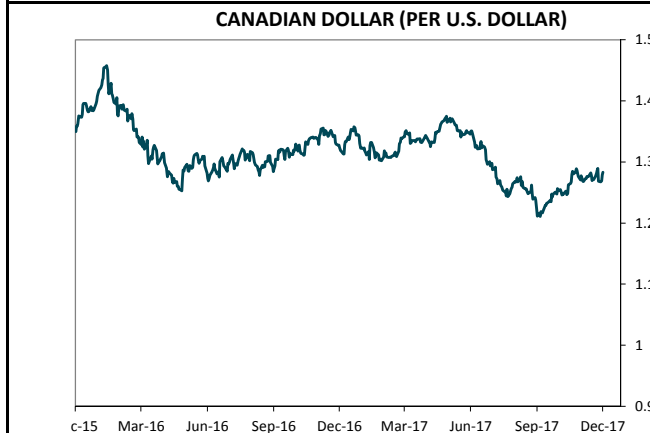




CAD\$ FOREIGN EXCHANGE CROSSES			CANADA BENCHMARKS						
CROSS	SPOT	CHANGE	TERM	COUPON	MATURITY	PRICE	YIELD	\$ CHANGE	
USD/CAD	1.285	0.0059	2 Year	0.750	1-Aug-19	98.847	1.46	0.00	
CAD/USD	0.778	-0.0038	5 Year	1.000	1-Sep-22	97.07	1.65	0.02	
EUR/CAD	1.515	0.0066	10 Year	1.000	1-Jun-27	92.741	1.84	0.11	
GBP/CAD	1.720	0.0077	30 Year	2.750	1-Dec-48	113.458	2.15	0.30	
CAD/JPY	87.678	-0.1310							

US\$ FOREIGN EXCHANGE CROSSES			U.S. BENCHMARKS						
CROSS	SPOT	CHANGE	TERM	COUPON	MATURITY	PRICE	YIELD	\$ CHANGE	
EUR/USD	1.179	-0.0003	2 Year	1.250	31-Aug-19	99.066	1.80	-0.02	
GBP/USD	1.339	-0.0004	5 Year	1.625	31-Aug-22	97.805	2.11	-0.01	
USD/JPY	112.660	0.3700	10 Year	2.250	15-Aug-27	99.172	2.34	0.08	
			30 Year	2.750	15-Aug-47	100.734	2.71	0.41	



**DAILY COMMENTARY**

Bond prices are slightly weaker and are essentially range bound.  
 The U.S. dollar is generally stronger, pushing the Loonie lower.  
 The market is looking ahead to tomorrow's all important U.S. employment report.

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				Factory Orders Durable Goods Orders Capital Goods Orders	-0.40% -1.1%	-1.00% -0.8% 0.3%	3 Month	-0.41	0.043	2 - 5 Year	0.17	-0.01																										
								-0.32	0.000	2 - 10 Year	0.35	-0.01																										
							5 Year	-0.47	0.003	2 - 30 Year	0.67	-0.01																										
TUE	Int'l Trade	(\$2.7b)	(\$1.47b)	Trade Balance US Services PMI ISM Non-Mfg Comp.	(\$47.5b) 55.20 59.00	(\$48.7b) 54.50 57.40	10 Year	-0.49	0.005	5 - 10 Year	0.19	-0.01																										
							30 Year	-0.56	-0.007	10 - 30 Year	0.32	0.00																										
WED	Labour Prody QoQ Bank of Canada Rate Decision	1.00%	-0.60% 1.00%	MBA Mortgage Applications ADP Employment Chg. Non-farm Prody. Unit Labour Costs	190k 3.3% 0.2%	4.4% 190k 3.0% -0.2%	<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</td> <td>4.25</td> <td>Bankers' Acceptances</td> <td>PRIME</td> <td>3.2</td> </tr> <tr> <td>BANK RATE</td> <td>3.00</td> <td>30 Day</td> <td>BANK RATE</td> <td>1.25</td> </tr> <tr> <td>FED FUNDS</td> <td>1.25</td> <td>60 Day</td> <td></td> <td></td> </tr> <tr> <td>DISCOUNT</td> <td>1.75</td> <td>90 Day</td> <td></td> <td></td> </tr> <tr> <td>LIBOR 3MO</td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>			U.S. RATES	CDN MONEY MARKET	CANADIAN RATES	PRIME	4.25	Bankers' Acceptances	PRIME	3.2	BANK RATE	3.00	30 Day	BANK RATE	1.25	FED FUNDS	1.25	60 Day			DISCOUNT	1.75	90 Day			LIBOR 3MO					
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THU	Building Permits MoM Ivey Purch Mgrs	1.0% 62.5	3.5% 63.0	Initial Jobless Claims Continuing Claims Challenger Job Cuts YoY Consumer Credit	240k 1900k \$17b	236k 1908k 30.0%	<table border="1"> <thead> <tr> <th colspan="2">CANADA YIELD CURVE</th> </tr> <tr> <th colspan="2">January 3, 2012 - Today</th> </tr> </thead> <tbody> <tr> <td>Term</td> <td>Yield</td> </tr> <tr> <td>1</td> <td>0.2491</td> </tr> <tr> <td>2</td> <td>0.81</td> </tr> <tr> <td>3</td> <td>0.97</td> </tr> <tr> <td>4</td> <td>0.970</td> </tr> <tr> <td>5</td> <td>1.010</td> </tr> <tr> <td>6</td> <td>1.200</td> </tr> <tr> <td>7</td> <td>1.300</td> </tr> <tr> <td>8</td> <td>1.540</td> </tr> <tr> <td>9</td> <td>1.990</td> </tr> <tr> <td>10</td> <td>2.57</td> </tr> </tbody> </table>						CANADA YIELD CURVE		January 3, 2012 - Today		Term	Yield	1	0.2491	2	0.81	3	0.97	4	0.970	5	1.010	6	1.200	7	1.300	8	1.540	9	1.990	10	2.57
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Source: Bloomberg, Odlum Brown