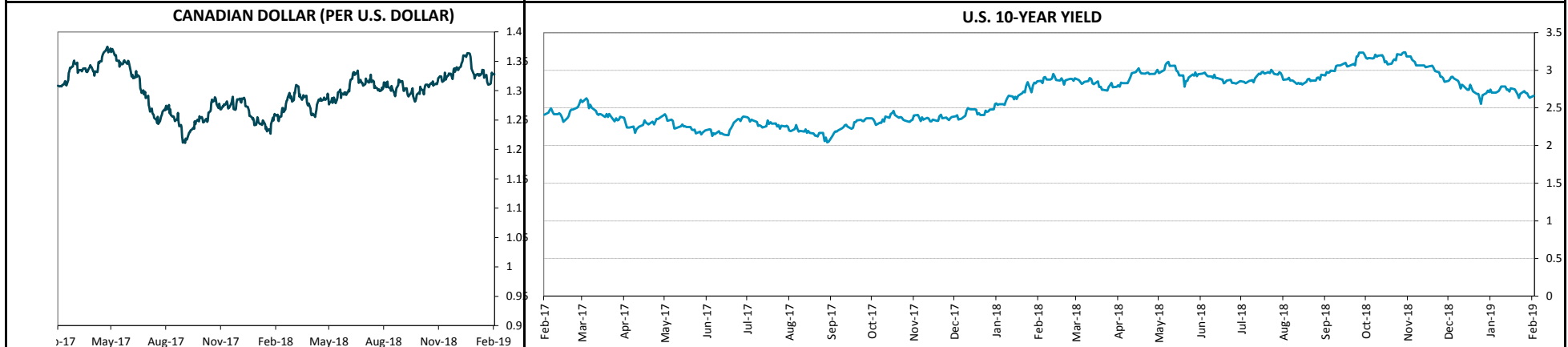




CAD\$ FOREIGN EXCHANGE CROSSES			CANADA BENCHMARKS					
CROSS	SPOT	CHANGE	TERM	COUPON	MATURITY	PRICE	YIELD	\$ CHANGE
USD/CAD	1.330	0.0026	2 Year	2.000	1-Nov-20	100.347	1.79	-0.05
CAD/USD	0.752	-0.0015	5 Year	2.000	1-Sep-23	100.77	1.82	-0.15
EUR/CAD	1.501	-0.0024	10 Year	2.000	1-Jun-28	100.718	1.92	-0.32
GBP/CAD	1.711	-0.0074	30 Year	2.750	1-Dec-48	112.777	2.17	-0.71
CAD/JPY	82.978	0.3390						

US\$ FOREIGN EXCHANGE CROSSES			U.S. BENCHMARKS					
CROSS	SPOT	CHANGE	TERM	COUPON	MATURITY	PRICE	YIELD	\$ CHANGE
EUR/USD	1.128	-0.0041	2 Year	2.875	31-Oct-20	100.582	2.52	-0.05
GBP/USD	1.286	-0.0080	5 Year	2.875	31-Oct-23	101.758	2.48	-0.13
USD/JPY	110.400	0.6700	10 Year	2.875	15-Aug-28	101.891	2.65	-0.17
			30 Year	3.000	15-Aug-48	100.172	2.99	-0.22



DAILY COMMENTARY

Bond prices are modestly lower ahead of this week's slew of data, including inflation reports.

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
67 MON	BB Nanos Conf.		54.3				3 Month	-0.79	0.068	2 - 5 Year	0.03	0.01
TUE				NFIB Sm. Bus Optimism JOLTS Job Openings	103.00 6832.00		2 Year	-0.69	-0.006	2 - 10 Year	0.12	0.01
WED	Teranet/National Bank House Teranet/National Bank House			MBA Mortgage Applications CPI Core MoM Cpl Core YoY Real Avg. Weekly Earnings Real Avg. Hourly Earnings Monthly Budget	0.2% 2.1%		5 Year	-0.64	-0.012	2 - 30 Year	0.37	0.00
THU	Mfg Sales MoM New House Price Index	0.4% 0.0%		Initial Jobless Claims Continuing Claims PPI Core Mom PPI Core YoY Retail Sales Bus. Inventories	225k 1740k 0.2% 2.50% 0.1% 0.2%		10 Year	-0.74	-0.019	5 - 10 Year	0.09	0.00
FRI	Int'l Secs Transactionps Existing Home Sales MoM	-0.6%		Empire Mfg. Import Price Index MoM Export Price Index MoM Ind'l Prodn MoM Capacity Utilization Mfg. Prodn. U. Mich Sentiment	7.0 -0.1% -0.1% 0.1% 78.7% 0.1% 93.5		30 Year	-0.82	-0.020	10 - 30 Year	0.25	-0.01

U.S. RATES		CDN MONEY MARKET		CANADIAN RATES	
PRIME	5.50	Bankers' Acceptances		PRIME	3.95
BANK RATE	4.25	30 Day	2.10	BANK RATE	1.75
FED FUNDS	2.50	60 Day	2.14		
DISCOUNT	3.00	90 Day	2.16		
LIBOR 3MO					

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

Source: Bloomberg, Odlum Brown