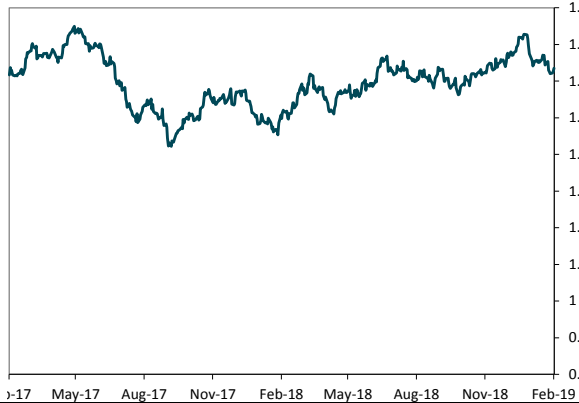




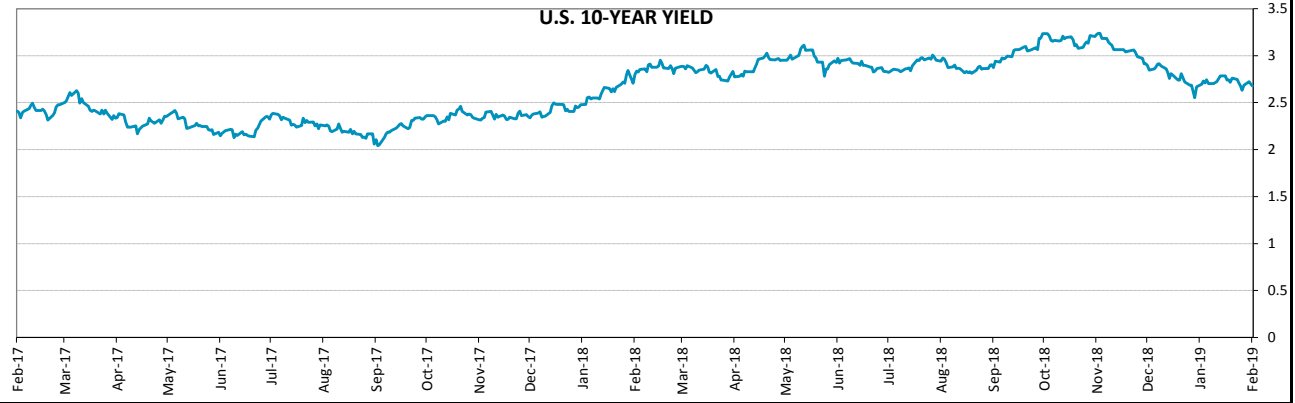
CAD\$ FOREIGN EXCHANGE CROSSES			CANADA BENCHMARKS					
CROSS	SPOT	CHANGE	TERM	COUPON	MATURITY	PRICE	YIELD	\$ CHANGE
USD/CAD	1.318	0.0050	2 Year	2.000	1-Nov-20	100.328	1.81	0.02
CAD/USD	0.759	-0.0030	5 Year	2.000	1-Sep-23	100.72	1.84	0.05
EUR/CAD	1.500	0.0033	10 Year	2.000	1-Jun-28	100.686	1.92	0.15
GBP/CAD	1.708	0.0086	30 Year	2.750	1-Dec-48	112.787	2.17	0.31
CAD/JPY	83.315	-0.4660						

US\$ FOREIGN EXCHANGE CROSSES			U.S. BENCHMARKS					
CROSS	SPOT	CHANGE	TERM	COUPON	MATURITY	PRICE	YIELD	\$ CHANGE
EUR/USD	1.139	-0.0019	2 Year	2.875	31-Oct-20	100.555	2.54	0.00
GBP/USD	1.296	0.0016	5 Year	2.875	31-Oct-23	101.656	2.50	0.07
USD/JPY	109.780	-0.1800	10 Year	2.875	15-Aug-28	101.656	2.68	0.14
			30 Year	3.000	15-Aug-48	99.563	3.03	0.31

CANADIAN DOLLAR (PER U.S. DOLLAR)



U.S. 10-YEAR YIELD



DAILY COMMENTARY

Bond prices are higher but remain in their recent trading range.
The U.S. dollar is firm.

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.		54.2	Factory Orders Durable Goods Capital Goods	0.30% 1.5% -0.1%	-0.60% 0.7% -0.6%	3 Month	-0.77	0.066	2 - 5 Year	0.02	0.00
TUE	Int'l Trade			US Services PMI ISM Non-Mfg	54.20 57.10	54.20 56.70	2 Year	-0.70	0.000	2 - 10 Year	0.11	0.00
WED	Building Permits MoM Ivey Purch. Mgrs.	-1.00%	6.00% 54.70	MBA Mortgage Applications Trade Balance	(\$54.0b)	-2.5% (\$49.3b)	5 Year	-0.66	-0.005	2 - 30 Year	0.36	0.01
THU				Initial Jobless Claims Continuing Claims BB Cons Conf. Consumer Credit	221k 1745k \$ 17.0b		10 Year	-0.76	-0.001	5 - 10 Year	0.08	0.00
FRI	Housing Starts Net Chg Employment Unemployment Rate Hourly Wages	205k 5k 5.7% 1.6%					30 Year	-0.85	-0.004	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	2.13	BANK RATE	1.75
FED FUNDS	2.50	60 Day	2.16		
DISCOUNT	3.00	90 Day	2.18		
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	2.57

Source: Bloomberg, Odlum Brown