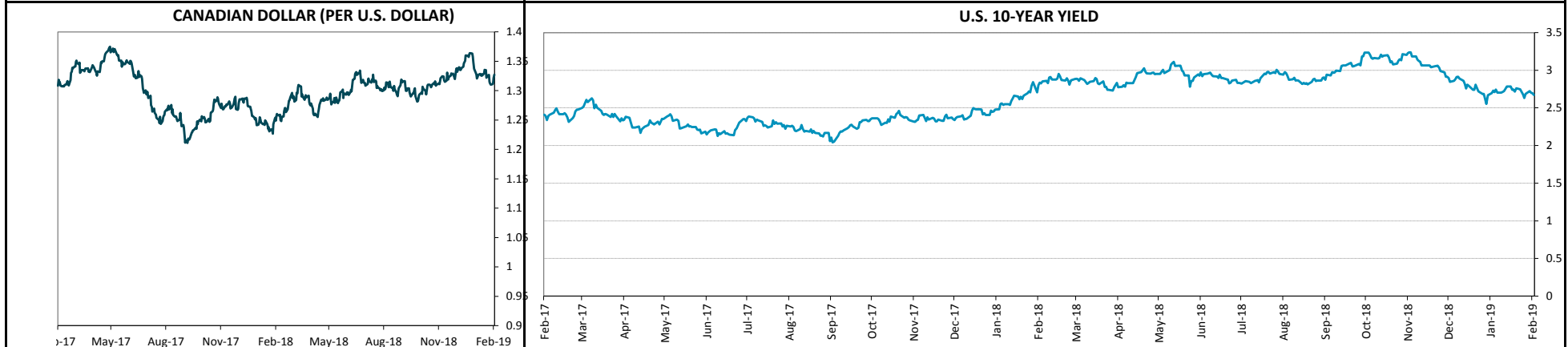




CAD\$ FOREIGN EXCHANGE CROSSES			CANADA BENCHMARKS					
CROSS	SPOT	CHANGE	TERM	COUPON	MATURITY	PRICE	YIELD	\$ CHANGE
USD/CAD	1.327	0.0057	2 Year	2.000	1-Nov-20	100.384	1.78	0.06
CAD/USD	0.753	-0.0034	5 Year	2.000	1-Sep-23	100.90	1.79	0.18
EUR/CAD	1.504	0.0028	10 Year	2.000	1-Jun-28	100.989	1.89	0.33
GBP/CAD	1.718	0.0097	30 Year	2.750	1-Dec-48	113.181	2.15	0.60
CAD/JPY	82.680	-0.5480						

US\$ FOREIGN EXCHANGE CROSSES			U.S. BENCHMARKS					
CROSS	SPOT	CHANGE	TERM	COUPON	MATURITY	PRICE	YIELD	\$ CHANGE
EUR/USD	1.134	-0.0027	2 Year	2.875	31-Oct-20	100.566	2.54	0.02
GBP/USD	1.295	0.0017	5 Year	2.875	31-Oct-23	101.734	2.48	0.12
USD/JPY	109.720	-0.2500	10 Year	2.875	15-Aug-28	101.734	2.66	0.19
			30 Year	3.000	15-Aug-48	99.469	3.03	0.25



**DAILY COMMENTARY**

The bond market continues to improve as Euro growth prospects dim further.  
The loonie's recent slide continues, along with weaker commodity prices.

Source: Bloomberg, Odlum 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	-0.75	0.067	2 - 5 Year	0.01	-0.01
TUE	Int'l Trade			US Services PMI ISM Non-Mfg	54.20 57.10	54.20 56.70	2 Year	-0.72	0.006	2 - 10 Year	0.11	-0.01
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	-0.68	0.012	2 - 30 Year	0.37	0.01
THU				Initial Jobless Claims Continuing Claims BB Cons Conf. Consumer Credit	221k 1745k \$ 17.0b	234k 1736k	10 Year	-0.79	0.017	5 - 10 Year	0.09	0.00
FRI	Housing Starts Net Chg Employment Unemployment Rate Hourly Wages	205k 5k 5.7% 1.6%					30 Year	-0.87	0.010	10 - 30 Year	0.27	0.01

U.S. RATES		CDN MONEY MARKET		CANADIAN RATES	
PRIME	5.50	Bankers' Acceptances		PRIME	3.95
BANK RATE	4.25	30 Day	2.12	BANK RATE	1.75
FED FUNDS	2.50	60 Day	2.15		
DISCOUNT	3.00	90 Day	2.17		
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