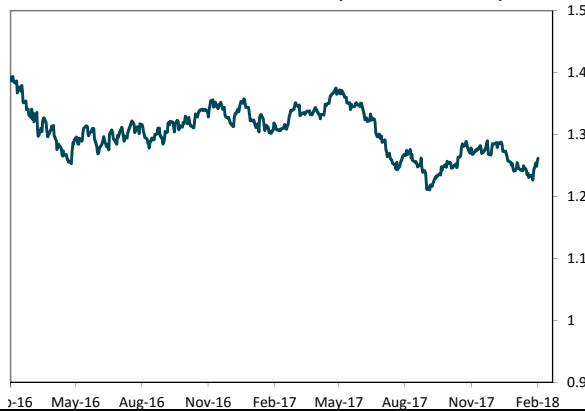




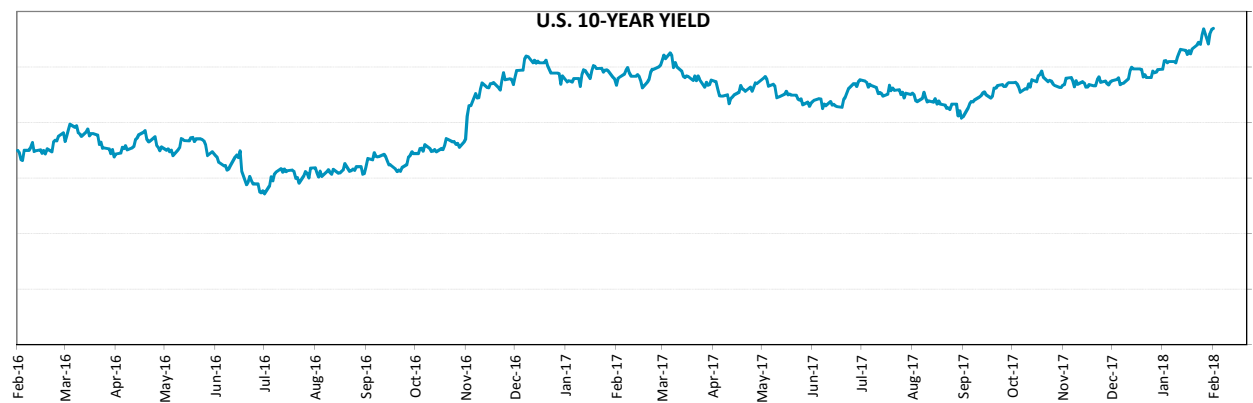
CAD\$ FOREIGN EXCHANGE CROSSES			CANADA BENCHMARKS					
CROSS	SPOT	CHANGE	TERM	COUPON	MATURITY	PRICE	YIELD	\$ CHANGE
USD/CAD	1.261	0.0043	2 Year	1.250	1-Nov-19	99.069	1.80	-0.01
CAD/USD	0.793	-0.0026	5 Year	1.000	1-Sep-22	95.15	2.13	0.00
EUR/CAD	1.543	0.0018	10 Year	1.000	1-Jun-27	88.602	2.37	-0.01
GBP/CAD	1.757	0.0125	30 Year	2.750	1-Dec-48	105.608	2.49	-0.34
CAD/JPY	86.403	-0.5910						

US\$ FOREIGN EXCHANGE CROSSES			U.S. BENCHMARKS					
CROSS	SPOT	CHANGE	TERM	COUPON	MATURITY	PRICE	YIELD	\$ CHANGE
EUR/USD	1.224	-0.0027	2 Year	1.875	31-Dec-19	99.523	2.58	-0.02
GBP/USD	1.393	0.0052	5 Year	2.125	31-Aug-22	97.938	2.58	-0.06
USD/JPY	108.970	-0.3600	10 Year	2.250	15-Nov-27	94.797	2.86	-0.23
			30 Year	2.750	15-Nov-47	92.500	3.14	-0.47

CANADIAN DOLLAR (PER U.S. DOLLAR)



U.S. 10-YEAR YIELD



DAILY COMMENTARY

Bond yields are resuming their march upward this morning, with the 10-year Treasury touching a four-year high. The price of new homes in Canada stalled in December - for the first time since 2015.

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
MON				Markit US Services PMI Markit US Composite PMI ISM Non-Mfg Composite	56.5	53.3 53.8 59.9				2 - 5 Year	0.28	0.00
TUE	Int'l Trade Ivey Purch. Mgrs.	(\$2.3b)	(\$3.19b)	Trade Balance JOLTS Job Openings	(\$52.0b)	(\$53.1b) 5.81m	3 Month	-0.35	0.048	2 - 10 Year	0.53	0.00
WED	Building Permits MoM	2.0%	4.8%	MBA Mortgage Applications Consumer Credit	\$19.30b	0.7%	5 Year	-0.45	0.015	2 - 30 Year	0.65	0.01
THU	Housing Starts New House Prices MoM New House Prices YoY	211k 0.1%	216.2k 0.0% 3.3%	Initial Jobless Claims Continuing Claims	235k 1940k	221k 1923k	10 Year	-0.48	0.014	5 - 10 Year	0.25	0.00
FRI	Net Chg. Employment Unemployment Rate	(2.0k) 5.8%		Wholesale Inventories	0.2%		30 Year	-0.65	0.011	10 - 30 Year	0.12	0.02

U.S. RATES		CDN MONEY MARKET		CANADIAN RATES	
PRIME	4.50	Bankers' Acceptances		PRIME	3.2
BANK RATE	3.25	30 Day	1.56	BANK RATE	1.25
FED FUNDS	1.50	60 Day	1.62		
DISCOUNT	2.00	90 Day	1.67		
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