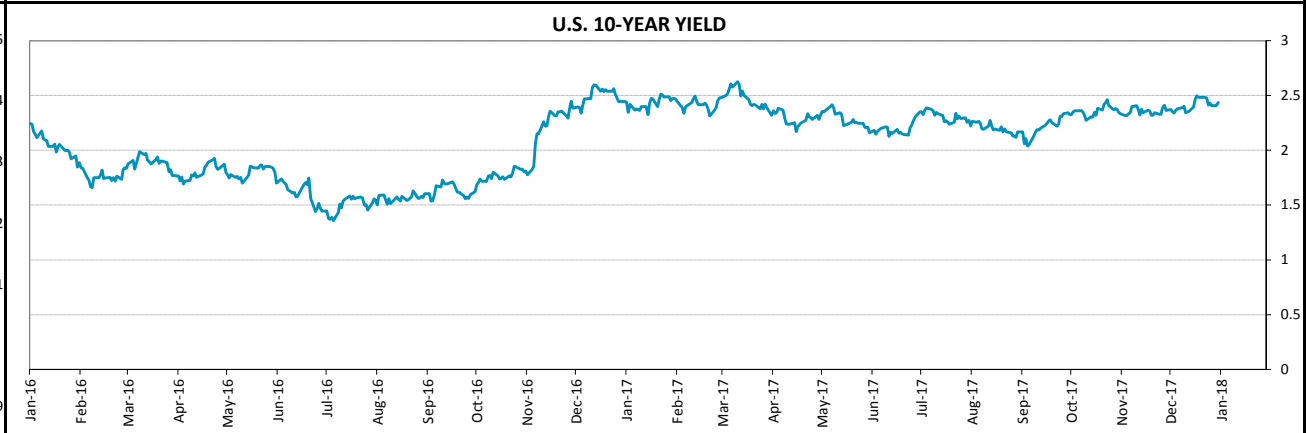
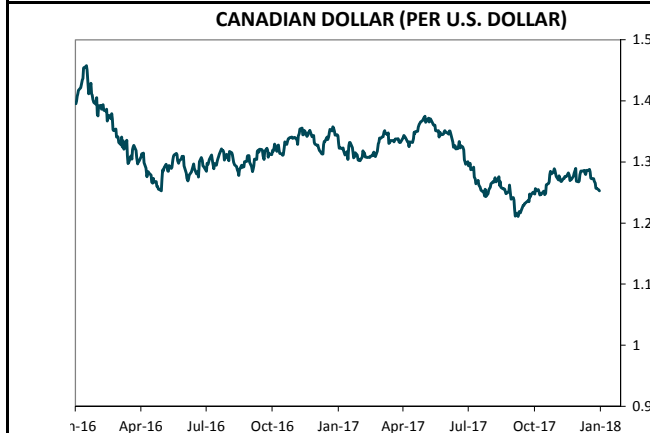




CAD\$ FOREIGN EXCHANGE CROSSES			CANADA BENCHMARKS					
CROSS	SPOT	CHANGE	TERM	COUPON	MATURITY	PRICE	YIELD	\$ CHANGE
USD/CAD	1.253	-0.0014	2 Year	1.250	1-Nov-19	99.195	1.70	-0.03
CAD/USD	0.798	0.0009	5 Year	1.000	1-Sep-22	96.06	1.89	-0.10
EUR/CAD	1.508	0.0006	10 Year	1.000	1-Jun-27	90.859	2.07	-0.27
GBP/CAD	1.698	-0.0011	30 Year	2.750	1-Dec-48	109.890	2.30	-0.88
CAD/JPY	89.535	-0.2130						

US\$ FOREIGN EXCHANGE CROSSES			U.S. BENCHMARKS					
CROSS	SPOT	CHANGE	TERM	COUPON	MATURITY	PRICE	YIELD	\$ CHANGE
EUR/USD	1.203	0.0020	2 Year	1.875	31-Dec-19	99.922	2.25	-0.06
GBP/USD	1.355	0.0046	5 Year	2.125	31-Aug-22	99.453	2.25	-0.16
USD/JPY	112.200	-0.4300	10 Year	2.250	15-Nov-27	98.250	2.46	-0.39
			30 Year	2.750	15-Nov-47	99.156	2.80	-1.05



DAILY COMMENTARY

Bond prices are weaker to begin the year as Euro sovereign yields are trending higher.
 The U.S. dollar is weak against all currencies.
 Traders are looking ahead to Friday's important employment data.

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							3 Month	-0.34	0.045	2 - 5 Year	0.19	0.01	
								-0.22	0.026	2 - 10 Year	0.37	0.02	
							5 Year	-0.36	0.022	2 - 30 Year	0.60	0.03	
TUE	MLI Leading Indicator Manufacturing BBG Nanos Conf.		0.50% 54.70 62.20	Manufacturing	55.00	55.10	10 Year	-0.39	0.026	5 - 10 Year	0.19	0.01	
							30 Year	-0.50	0.026	10 - 30 Year	0.23	0.01	
WED				MBA Mortgage Applications Constr. Spending ISM Mfg ISM Prices Paid FOMC Minutes Vehicle Sales	0.5% 58.2 64.5 17.5m		U.S. RATES			CDN MONEY MARKET		CANADIAN RATES	
							PRIME	4.50	Bankers' Acceptances	PRIME	3.2		
							BANK RATE	3.25	30 Day	1.44	BANK RATE	1.25	
							FED FUNDS	1.50	60 Day	1.48			
							DISCOUNT	2.00	90 Day	1.54			
							LIBOR 3MO						
THU	Ind'l Product Prices Raw material Prices			Initial Jobless Claims Continuing Claims Challenger Job Cuts ADP Employment Change Services PMI	242k 190k 52.5		CANADA YIELD CURVE January 3, 2012 - Today						
FRI	Int'l Trade Net Chg. Employment# Unemployment Rate Ivey Purch Mgrs.	(\$1.2b) 0.0 k 6.0%		Chg. Non-Farm Payrolls Unemployment Rate Avge. Hrly Earns. Avge. Hrly Earns. YoY Trade Balance ISM Non-Mfg	190k 4.1% 0.3% 2.5% (\$48.7b) 57.5%								

Source: Bloomberg, Odlum Brown