



CAD\$ FOREIGN EXCHANGE CROSSES			CANADA BENCHMARKS					
CROSS	SPOT	CHANGE	TERM	COUPON	MATURITY	PRICE	YIELD	\$ CHANGE
USD/CAD	1.360	-0.0032	2 Year	2.000	1-Nov-20	100.278	1.85	0.03
CAD/USD	0.735	0.0017	5 Year	2.000	1-Sep-23	100.66	1.85	0.15
EUR/CAD	1.546	-0.0174	10 Year	2.000	1-Jun-28	100.673	1.92	0.37
GBP/CAD	1.716	-0.0208	30 Year	2.750	1-Dec-48	113.313	2.15	0.88
CAD/JPY	80.420	-0.0530						

US\$ FOREIGN EXCHANGE CROSSES			U.S. BENCHMARKS					
CROSS	SPOT	CHANGE	TERM	COUPON	MATURITY	PRICE	YIELD	\$ CHANGE
EUR/USD	1.137	-0.0097	2 Year	2.875	31-Oct-20	100.609	2.53	-0.03
GBP/USD	1.262	-0.0119	5 Year	2.875	31-Oct-23	101.695	2.50	0.02
USD/JPY	109.340	-0.4000	10 Year	2.875	15-Aug-28	101.734	2.67	0.13
			30 Year	3.000	15-Aug-48	99.984	3.00	0.34



DAILY COMMENTARY

Bonds are rallying as the new year begins. This is following weak economic data from China and Europe. Friday's employment data looms large for all markets. The loonie is better against a strong U.S. dollar.

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				Dallas Fed	15.00	-5.10						
TUE												
WED	MLI Leading Indicator Markit Mfg		-0.10% 53.60	MBA Mortgage Applications Markit Mfg	53.9	53.80						
THU				Initial Jobless Claims Continuing Claims Challenger Job Cuts ADP Empl. Chg. BBG Cons. Conf Constr. Spending MoM ISM Mfg ISM Prices Paid Total Vehicle Sales	180k 220k 180.00 0.3% 57.5 57.8 17.24m							
1 FRI	Net Chg. Employment Unemployment Rate Hourly Wages Ind'l Product Prices Raw Material Prices	8.0k 5.7% 1.6%		Chg. Non-Farm Payrolls Unemployment Rate Avge. Hrly Earns Avge. Hrly Earns- YoY Services PMI	180k 3.7% 0.3% 3.0% 53.4							

U.S. RATES			CDN MONEY MARKET		CANADIAN RATES	
PRIME	5.50	Bankers' Acceptances		PRIME	3.95	
BANK RATE	4.25	30 Day	2.30	BANK RATE	1.75	
FED FUNDS	2.50	60 Day	2.30			
DISCOUNT	3.00	90 Day	2.31			
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, Odium Brown