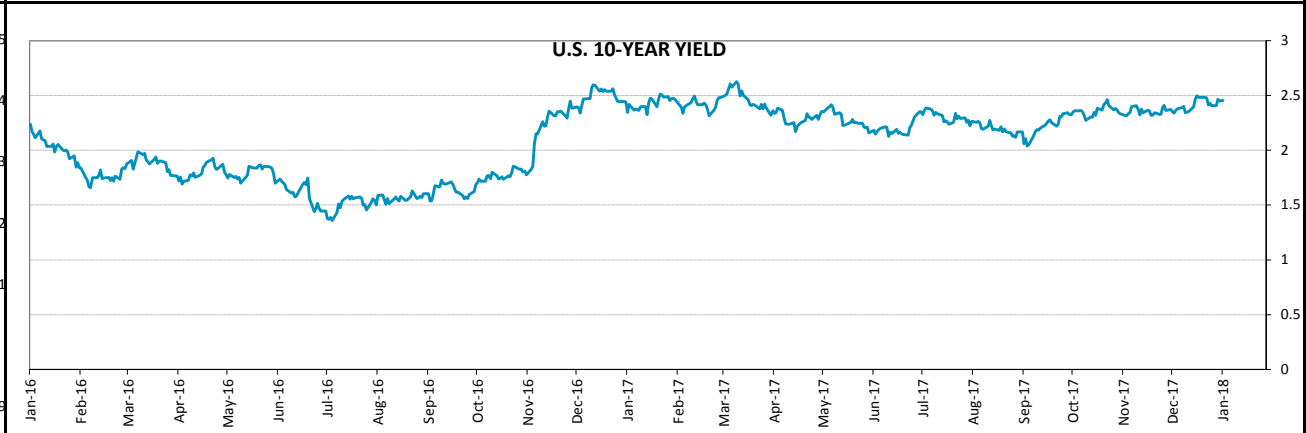
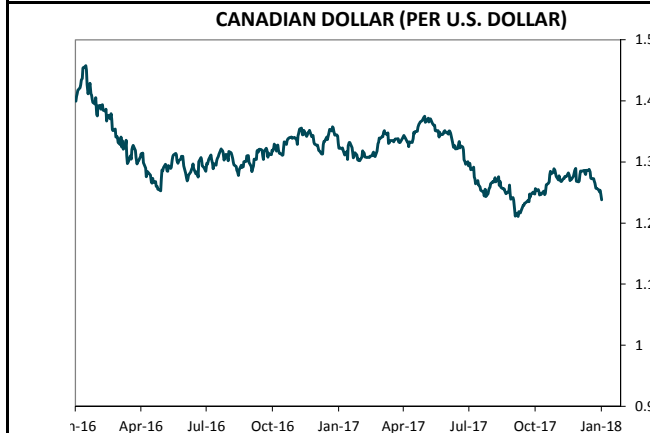




CAD\$ FOREIGN EXCHANGE CROSSES			CANADA BENCHMARKS					
CROSS	SPOT	CHANGE	TERM	COUPON	MATURITY	PRICE	YIELD	\$ CHANGE
USD/CAD	1.238	-0.0103	2 Year	1.250	1-Nov-19	99.072	1.77	-0.13
CAD/USD	0.808	0.0067	5 Year	1.000	1-Sep-22	95.75	1.96	-0.31
EUR/CAD	1.490	-0.0174	10 Year	1.000	1-Jun-27	90.308	2.15	-0.52
GBP/CAD	1.678	-0.0136	30 Year	2.750	1-Dec-48	108.606	2.36	-0.89
CAD/JPY	91.425	1.1310						

US\$ FOREIGN EXCHANGE CROSSES			U.S. BENCHMARKS					
CROSS	SPOT	CHANGE	TERM	COUPON	MATURITY	PRICE	YIELD	\$ CHANGE
EUR/USD	1.203	-0.0040	2 Year	1.875	31-Dec-19	99.836	2.27	-0.02
GBP/USD	1.355	0.0002	5 Year	2.125	31-Aug-22	99.344	2.27	0.02
USD/JPY	113.230	0.4800	10 Year	2.250	15-Nov-27	98.219	2.45	-0.02
			30 Year	2.750	15-Nov-47	99.109	2.79	-0.16



DAILY COMMENTARY

The jobs report fell short of street estimates but was solid enough to leave Treasuries unchanged. While Canada reported a worse-than-consensus trade deficit, it reported another blowout employment report, putting a rate hike in Canada closer. The loonie soared on this news.

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							3 Month	-0.36	0.043	2 - 5 Year	0.19	0.00																																								
								-0.19	-0.065	2 - 10 Year	0.37	-0.01																																								
							5 Year	-0.30	-0.074	2 - 30 Year	0.58	-0.03																																								
TUE	MLI Leading Indicator Manufacturing BBG Nanos Conf.		0.50% 54.70 62.20	Manufacturing	55.00	55.10	10 Year	-0.31	-0.062	5 - 10 Year	0.18	-0.01																																								
							30 Year	-0.44	-0.029	10 - 30 Year	0.21	-0.03																																								
WED				MBA Mortgage Applications Constr. Spending ISM Mfg ISM Prices Paid FOMC Minutes Vehicle Sales	0.5% 58.2 64.5 17.5m	0.7% 0.8% 59.7 69.0	<table border="1"> <thead> <tr> <th colspan="2">U.S. RATES</th> <th colspan="2">CDN MONEY MARKET</th> <th colspan="2">CANADIAN RATES</th> </tr> </thead> <tbody> <tr> <td>PRIME</td> <td>4.50</td> <td>Bankers' Acceptances</td> <td></td> <td>PRIME</td> <td>3.2</td> </tr> <tr> <td>BANK RATE</td> <td>3.25</td> <td>30 Day</td> <td>1.45</td> <td>BANK RATE</td> <td>1.25</td> </tr> <tr> <td>FED FUNDS</td> <td>1.50</td> <td>60 Day</td> <td>1.49</td> <td></td> <td></td> </tr> <tr> <td>DISCOUNT</td> <td>2.00</td> <td>90 Day</td> <td>1.55</td> <td></td> <td></td> </tr> <tr> <td>LIBOR 3MO</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>			U.S. RATES		CDN MONEY MARKET		CANADIAN RATES		PRIME	4.50	Bankers' Acceptances		PRIME	3.2	BANK RATE	3.25	30 Day	1.45	BANK RATE	1.25	FED FUNDS	1.50	60 Day	1.49			DISCOUNT	2.00	90 Day	1.55			LIBOR 3MO												
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THU	Ind'l Product Prices Raw material Prices		1.4% 5.5%	Initial Jobless Claims Continuing Claims Challenger Job Cuts ADP Employment Change Services PMI	242k 190k 52.5	250k 1914k -3.6% 250k 53.7	<table border="1"> <thead> <tr> <th colspan="7">CANADA YIELD CURVE January 3, 2012 - Today</th> </tr> </thead> <tbody> <tr> <td>Term</td> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> <td>6</td> <td>7</td> <td>8</td> <td>9</td> <td>10</td> </tr> <tr> <td>Yield</td> <td>0.2491</td> <td>0.81</td> <td>0.97</td> <td>0.970</td> <td>1.010</td> <td>1.200</td> <td>1.300</td> <td>1.540</td> <td>1.990</td> <td>2.57</td> </tr> <tr> <td></td> <td></td> <td>← January 3, 2012</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>						CANADA YIELD CURVE January 3, 2012 - Today							Term	1	2	3	4	5	6	7	8	9	10	Yield	0.2491	0.81	0.97	0.970	1.010	1.200	1.300	1.540	1.990	2.57			← January 3, 2012								
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FRI	Int'l Trade Net Chg. Employment# Unemployment Rate Ivey Purch Mgrs.	(\$1.2b) 0.0 k 6.0%	(\$2.5b) 78.6k 5.7%	Chg. Non-Farm Payrolls Unemployment Rate Avg. Hrly Earns. Avg. Hrly Earns. YoY Trade Balance ISM Non-Mfg	190k 4.1% 0.3% 2.5% (\$48.7b) 57.5%	148k 4.1% 0.3% 2.5% (\$50.5b)																																														

Source: Bloomberg, Odlum Brown