



CAD\$ FOREIGN EXCHANGE CROSSES			CANADA BENCHMARKS					
CROSS	SPOT	CHANGE	TERM	COUPON	MATURITY	PRICE	YIELD	\$ CHANGE
USD/CAD	1.335	-0.0022	2 Year	2.000	1-Nov-20	100.278	1.84	0.02
CAD/USD	0.749	0.0012	5 Year	2.000	1-Sep-23	100.74	1.83	0.08
EUR/CAD	1.530	0.0060	10 Year	2.000	1-Jun-28	100.782	1.91	0.17
GBP/CAD	1.704	0.0028	30 Year	2.750	1-Dec-48	114.066	2.11	0.53
CAD/JPY	81.130	0.0010						

  

US\$ FOREIGN EXCHANGE CROSSES			U.S. BENCHMARKS					
CROSS	SPOT	CHANGE	TERM	COUPON	MATURITY	PRICE	YIELD	\$ CHANGE
EUR/USD	1.146	0.0064	2 Year	2.875	31-Oct-20	100.625	2.52	0.02
GBP/USD	1.277	0.0043	5 Year	2.875	31-Oct-23	101.805	2.47	0.11
USD/JPY	108.330	-0.1800	10 Year	2.875	15-Aug-28	101.953	2.64	0.20
			30 Year	3.000	15-Aug-48	100.906	2.95	0.64



**DAILY COMMENTARY**

Bonds are higher after Friday's steep selloff following the blockbuster employment report. The Bank of Canada meets this week but there is no change expected in the Bank Rate. The loonie continues to rally on the weaker U.S. dollar and also with firming commodity prices.

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	
67 MON	BBG Nanos Confidence Ivey Purch Mgrs						3 Month	-0.80	0.071	2 - 5 Year	-0.01	-0.01	
							2 Year	-0.64	-0.005	2 - 10 Year	0.07	-0.01	
							5 Year	-0.64	-0.010	2 - 30 Year	0.27	-0.01	
TUE	Int'l Trade	(\$2.1b)		NFIB Sm. Bus. Optimism Trade Balance JOLTS Job openings Consumer Credit	103.0 (\$54.0b) \$16.0b		10 Year	-0.73	-0.007	5 - 10 Year	0.08	0.00	
							30 Year	-0.84	-0.010	10 - 30 Year	0.20	0.00	
WED	Housing Starts Bank of Canada Rate Decision	208k 1.75%		MBA Mortgage Applications FOMC Minutes			U.S. RATES			CDN MONEY MARKET		CANADIAN RATES	
							PRIME	5.50		Bankers' Acceptances		PRIME	3.95
							BANK RATE	4.25		30 Day	2.31	BANK RATE	1.75
							FED FUNDS	2.50		60 Day	2.31		
							DISCOUNT	3.00		90 Day	2.32		
							LIBOR 3MO						
THU	New House Price Index Building Permits MoM	-0.1% -0.5%		Initial Jobless Claims Continuing Claims BBG Cons. Conf Wholesale Inventories	225k 1700k 0.50%		CANADA YIELD CURVE January 3, 2012 - Today						
FRI				CPI Core Mom Cpi Core YoY Real Avge Earnings Weekly Monthly Budget	0.2% 2.2% 0.0								
1													

Source: Bloomberg, Odium Brown