



CAD\$ FOREIGN EXCHANGE CROSSES			CANADA BENCHMARKS					
CROSS	SPOT	CHANGE	TERM	COUPON	MATURITY	PRICE	YIELD	\$ CHANGE
USD/CAD	1.315	0.0038	2 Year	1.250	1-Nov-19	99.167	1.90	-0.05
CAD/USD	0.760	-0.0025	5 Year	1.000	1-Sep-22	95.75	2.08	-0.11
EUR/CAD	1.540	0.0003	10 Year	1.000	1-Jun-27	90.701	2.16	-0.12
GBP/CAD	1.741	-0.0003	30 Year	2.750	1-Dec-48	112.080	2.20	-0.04
CAD/JPY	84.838	0.1910						

  

US\$ FOREIGN EXCHANGE CROSSES			U.S. BENCHMARKS					
CROSS	SPOT	CHANGE	TERM	COUPON	MATURITY	PRICE	YIELD	\$ CHANGE
EUR/USD	1.171	-0.0030	2 Year	1.875	31-Dec-19	99.059	2.76	-0.03
GBP/USD	1.324	-0.0040	5 Year	2.125	31-Aug-22	97.367	2.76	-0.06
USD/JPY	111.580	0.5800	10 Year	2.250	15-Nov-27	94.969	2.86	-0.09
			30 Year	2.750	15-Nov-47	95.875	2.96	-0.09

CANADIAN DOLLAR (PER U.S. DOLLAR)



U.S. 10-YEAR YIELD



**DAILY COMMENTARY**

Despite more proposed tariffs, bond prices are edging lower as wholesale inflation veers to the upside. As expected, the Bank of Canada raised the Bank Rate by 25 basis points along with a clear signal that it would continue to hike further. The loonie has not benefited as it was already priced in.



ECONOMIC RELEASES							CANADA/U.S. SPREADS			YIELD CURVE SHIFTS		
DATE	CANADA	EST	ACTUAL	USA	EST	ACTUAL	0	BPs	CHANGE	ROLL	SPREAD	CHANGE
MON	BBG Nanos Confidence			Consumer Credit	\$12.0b	\$24.6b						
TUE	Housing Starts Building Permits	210 k -0.50%	248.1k 4.70%	NFIB Sm. Bus. Optimism JO:TS Job Openings	105.80 6660.00	107.20% 6638.00						
WED	BANK OF CANADA RATE DECISION	1.50%	1.50%	MBA Mortgage Applications PPI Core MoM PPI Core YoY Wholesale Trade Sales Wholesale Inventories		2.4% 0.3% 2.80% 0.6% 2.50%						
THU	Teranet House Prices Teranet House Prices New House Price Index	1.0%		Initial Jobless Claims Continuing Claims CPI Core MoM CPI Core YoY Real Avge Weekly Earns Real Avge Hourly Earns BBG Cons Conf Mthly Budget	225k							
FRI	Existing Home Sales MoM	1.50%		Import Price Index MoM Import Price Index YoY Export Price Index MoM Export Price Index YoY U. Michigan Sentiment		0.1% 4.7% 0.2% 98.0						

  

U.S. RATES			CDN MONEY MARKET		CANADIAN RATES	
PRIME	5.00	Bankers' Acceptances		PRIME	3.45	
BANK RATE	3.75	30 Day	1.78	BANK RATE	1.25	
FED FUNDS	2.00	60 Day	1.82			
DISCOUNT	2.50	90 Day	1.88			
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