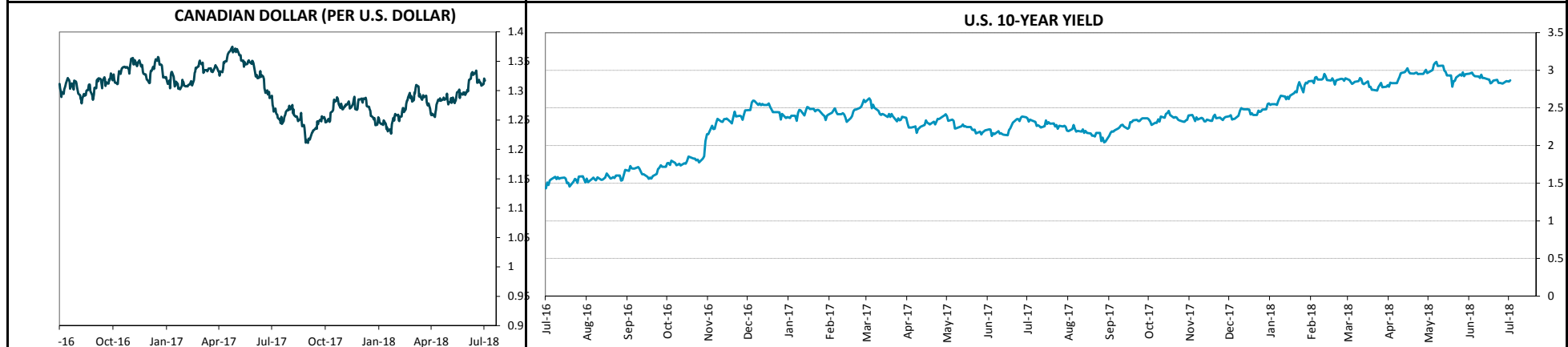




CAD\$ FOREIGN EXCHANGE CROSSES			CANADA BENCHMARKS					
CROSS	SPOT	CHANGE	TERM	COUPON	MATURITY	PRICE	YIELD	\$ CHANGE
USD/CAD	1.317	-0.0042	2 Year	1.250	1-Nov-19	99.181	1.89	-0.02
CAD/USD	0.759	0.0023	5 Year	1.000	1-Sep-22	95.76	2.08	-0.08
EUR/CAD	1.535	-0.0064	10 Year	1.000	1-Jun-27	90.693	2.16	-0.17
GBP/CAD	1.739	-0.0048	30 Year	2.750	1-Dec-48	111.967	2.21	-0.44
CAD/JPY	85.463	0.6560						

US\$ FOREIGN EXCHANGE CROSSES			U.S. BENCHMARKS					
CROSS	SPOT	CHANGE	TERM	COUPON	MATURITY	PRICE	YIELD	\$ CHANGE
EUR/USD	1.166	-0.0012	2 Year	1.875	31-Dec-19	99.043	2.76	-0.04
GBP/USD	1.321	0.0006	5 Year	2.125	31-Aug-22	97.336	2.76	-0.08
USD/JPY	112.530	0.5200	10 Year	2.250	15-Nov-27	94.922	2.87	-0.14
			30 Year	2.750	15-Nov-47	95.813	2.96	-0.19



DAILY COMMENTARY

In a risk-on day, bond prices are slightly weaker. U.S. CPI was pretty much as expected although the headline number was the highest in six years. The loonie has bounced off its worst levels but remains on its heels.



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		0.9% 2.9% 0.0%	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	214k 1739k						
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	1.81	BANK RATE	1.25	
FED FUNDS	2.00	60 Day	1.84			
DISCOUNT	2.50	90 Day	1.91			
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