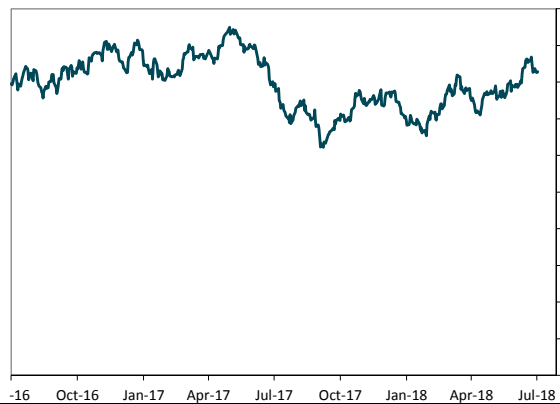




CAD\$ FOREIGN EXCHANGE CROSSES			CANADA BENCHMARKS					
CROSS	SPOT	CHANGE	TERM	COUPON	MATURITY	PRICE	YIELD	\$ CHANGE
USD/CAD	1.314	0.0007	2 Year	1.250	1-Nov-19	99.244	1.84	0.01
CAD/USD	0.761	-0.0005	5 Year	1.000	1-Sep-22	95.93	2.03	0.03
EUR/CAD	1.543	0.0079	10 Year	1.000	1-Jun-27	91.003	2.12	0.15
GBP/CAD	1.741	0.0048	30 Year	2.750	1-Dec-48	113.067	2.16	0.56
CAD/JPY	84.126	-0.1220						

US\$ FOREIGN EXCHANGE CROSSES			U.S. BENCHMARKS					
CROSS	SPOT	CHANGE	TERM	COUPON	MATURITY	PRICE	YIELD	\$ CHANGE
EUR/USD	1.174	0.0053	2 Year	1.875	31-Dec-19	99.113	2.70	0.01
GBP/USD	1.325	0.0032	5 Year	2.125	31-Aug-22	97.570	2.70	0.07
USD/JPY	110.540	-0.1000	10 Year	2.250	15-Nov-27	95.344	2.82	0.11
			30 Year	2.750	15-Nov-47	96.406	2.93	0.25

CANADIAN DOLLAR (PER U.S. DOLLAR)



U.S. 10-YEAR YIELD



DAILY COMMENTARY

Bond prices are higher after the employment report. While it showed greater-than-expected job growth, hourly earnings once again disappointed. Canada also produced a decent employment report, but disappointing trade results are pushing the loonie lower.



ECONOMIC RELEASES							CANADA/U.S. SPREADS			YIELD CURVE SHIFTS		
DATE	CANADA	EST	ACTUAL	USA	EST	ACTUAL	0	BPs	CHANGE	ROLL	SPREAD	CHANGE
MON	CANADA DAY			Markit US Mfg	54.60	55.40						
				Constr. Spending	0.5%	0.4%	3 Month	-0.69	0.055	2 - 5 Year	0.14	0.00
				ISM Mfg	58.5	60.2						
				ISM Employment		56.0	5 Year	-0.66	-0.008	2 - 30 Year	0.25	-0.02
				ISM Prices Paid	75.00	76.8	10 Year	-0.69	0.005	5 - 10 Year	0.08	-0.01
			ISM New Orders		63.50	30 Year	-0.77	0.012	10 - 30 Year	0.04	0.00	
TUE	MLI Leading Indicator MoM Manufacturing		0.20% 57.10	Factory Orders	0.00%	0.40%	U.S. RATES			CDN MONEY MARKET		CANADIAN RATES
				Durable Goods Orders	-0.50%	-0.40%	PRIME	5.00	Bankers' Acceptances	PRIME	3.45	
				Capital Goods Orders		0.30%	BANK RATE	3.75	30 Day	1.72	BANK RATE	1.25
				Vehicle Sales			FED FUNDS	2.00	60 Day	1.76		
							DISCOUNT	2.50	90 Day	1.82		
WED				MBA Mortgage Applications		-0.5%	LIBOR 3MO					
				INDEPENDENCE DAY								
THU				Initial Jobless Claims	225k	231k	CANADA YIELD CURVE January 3, 2012 - Today					
				Continuing Claims	1718k	1739k						
				Challenger Job Cuts		19.6%						
				ADP Employment Chg	190k	177k						
				US Services PMI	56.5	56.5						
				ISM Non-Mfg Composite	58.3	59.1						
				FOMC Minutes								
FRI	Int'l Trade	(\$2.2b)	(\$2.8b)	Trade Balance	(\$43.7b)	(\$43.1b)						
	Net Chg. Employment	20k	32k	Chg. Non-Farm Employment	195k	2132k						
	Unemployment Rate	5.8%	6.0%	Unemployment Rate	3.8%	4.0%						
	Hourly Earnings	3.7%	3.5%	Avg. Hrly Earnings	0.3%	0.2%						
	Ivey Purch Mgr			Avg. Hrly Earnings YoY	2.8%	2.7%						

Source: Bloomberg, Odium Brown