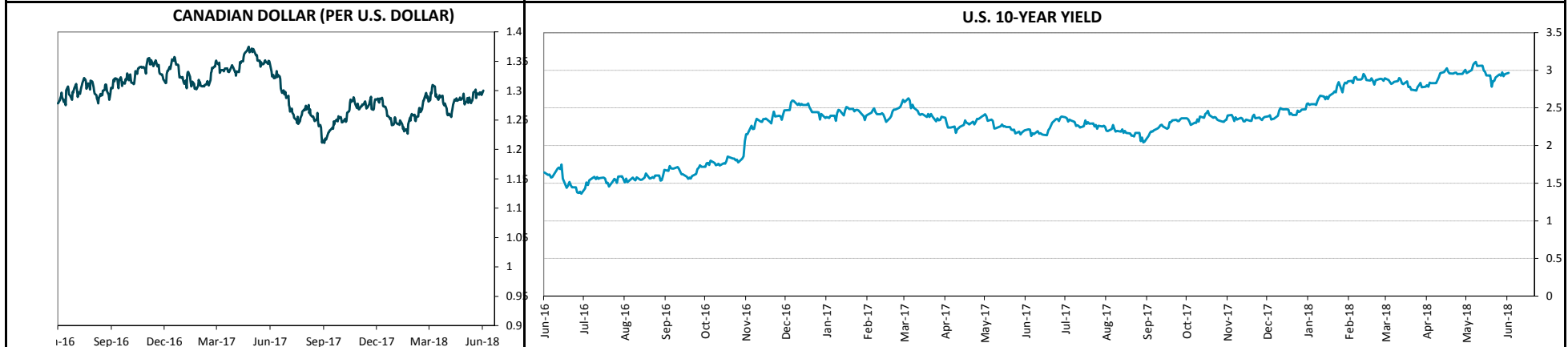




CAD\$ FOREIGN EXCHANGE CROSSES			CANADA BENCHMARKS					
CROSS	SPOT	CHANGE	TERM	COUPON	MATURITY	PRICE	YIELD	\$ CHANGE
USD/CAD	1.300	0.0073	2 Year	1.250	1-Nov-19	99.213	1.83	0.02
CAD/USD	0.769	-0.0044	5 Year	1.000	1-Sep-22	95.52	2.12	0.05
EUR/CAD	1.535	0.0134	10 Year	1.000	1-Jun-27	89.478	2.31	0.05
GBP/CAD	1.740	0.0071	30 Year	2.750	1-Dec-48	108.341	2.37	-0.06
CAD/JPY	84.530	-0.2040						

US\$ FOREIGN EXCHANGE CROSSES			U.S. BENCHMARKS					
CROSS	SPOT	CHANGE	TERM	COUPON	MATURITY	PRICE	YIELD	\$ CHANGE
EUR/USD	1.181	0.0038	2 Year	1.875	31-Dec-19	99.090	2.79	-0.04
GBP/USD	1.338	-0.0022	5 Year	2.125	31-Aug-22	97.164	2.79	-0.09
USD/JPY	109.900	0.3500	10 Year	2.250	15-Nov-27	94.109	2.97	-0.14
			30 Year	2.750	15-Nov-47	93.125	3.11	-0.30



DAILY COMMENTARY

Bond prices are weaker ahead of this week's slew of news. First, the U.S. Treasury will issue \$193 billion of 3-, 10- and 30-year bonds ahead of the FOMC meeting on Wednesday. Also, U.S. wholesale and inflation could move markets. The ECB and BOJ also meet this week. The loonie is reeling in the wake of the G7 outcome.

Source: Bloomberg, Odium Brown



ECONOMIC RELEASES							CANADA/U.S. SPREADS			YIELD CURVE SHIFTS		
DATE	CANADA	EST	ACTUAL	USA	EST	ACTUAL	BPs	CHANGE	ROLL	SPREAD	CHANGE	
MON	BG Nanos Confidence						-0.69	0.061	2 - 5 Year	0.24	0.00	
							-0.62	0.040	2 - 10 Year	0.41	0.01	
							5 Year	-0.65	0.034	2 - 30 Year	0.46	0.02
TUE				NFIB Sm Bus Optimism CPI Core MoM CPI Core YoY Real Avge. Weekly Earn Real Avge. Hourly Earnings	105.00 0.20% 2.20%		10 Year	-0.65	0.024	5 - 10 Year	0.17	0.01
							30 Year	-0.74	0.015	10 - 30 Year	0.05	0.01
WED	Teranet House Prices Teranet House Prices			MBA Mortgage Applications PPI Core MoM PPI Core YoY FOMC Rate Decision	0.2% 2.30% 2.0%		U.S. RATES		CDN MONEY MARKET		CANADIAN RATES	
							PRIME	4.75	Bankers' Acceptances		PRIME	3.45
							BANK RATE	3.50	30 Day	1.65	BANK RATE	1.25
							FED FUNDS	1.75	60 Day	1.69		
							DISCOUNT	2.25	90 Day	1.75		
							LIBOR 3MO					
THU	New House Prices Index New House Prices Index	0.0% 1.7%		Initial Jobless Claims Continuing Claims Retail Sales MoM Import Price Index MoM Export Price Index MoM Bus. Inventories	224k 1734k 0.4% 0.5% 0.3% 0.3%		CANADA YIELD CURVE January 3, 2012 - Today					
FRI	Int'l Secs Transactions Mfg Sales MoM Existing Home Sales MoM	0.7% -1.7%		Empire Mfg. Ind'l Production Capacity Utilization U. Michigan Sentiment Total Net TIC flows.	19.0 0.2% 78.1% 98.5							

Source: Bloomberg, Odlum Brown