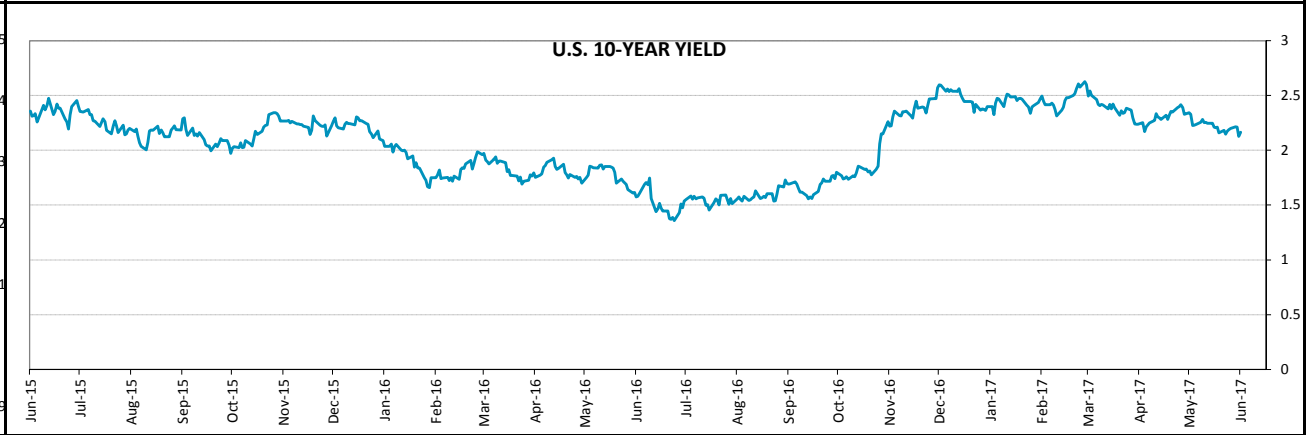
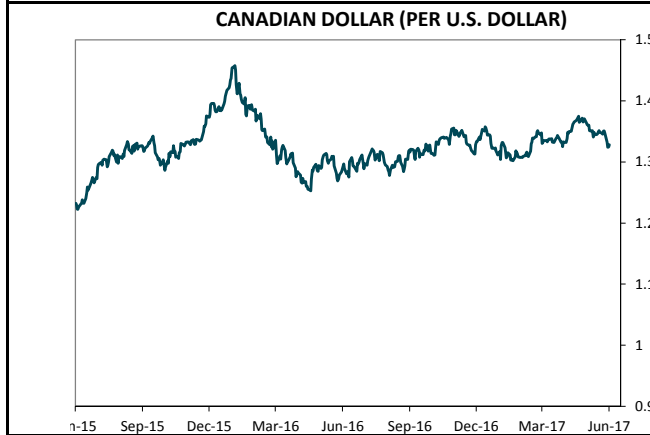




CAD\$ FOREIGN EXCHANGE CROSSES			CANADA BENCHMARKS					
CROSS	SPOT	CHANGE	TERM	COUPON	MATURITY	PRICE	YIELD	\$ CHANGE
USD/CAD	1.328	0.0030	2 Year	0.500	1-Feb-19	99.375	0.89	-0.08
CAD/USD	0.753	-0.0017	5 Year	0.500	1-Mar-22	97.05	1.15	-0.24
EUR/CAD	1.481	-0.0053	10 Year	1.500	1-Jun-26	100.645	1.42	-0.26
GBP/CAD	1.692	0.0032	30 Year	2.750	1-Dec-48	116.050	2.06	-0.54
CAD/JPY	83.016	0.2920						

US\$ FOREIGN EXCHANGE CROSSES			U.S. BENCHMARKS					
CROSS	SPOT	CHANGE	TERM	COUPON	MATURITY	PRICE	YIELD	\$ CHANGE
EUR/USD	1.115	-0.0066	2 Year	1.250	31-Mar-19	99.824	1.35	-0.07
GBP/USD	1.275	-0.0004	5 Year	1.875	31-Mar-22	100.586	1.75	-0.20
USD/JPY	110.220	0.6400	10 Year	2.250	15-Feb-27	100.813	2.15	-0.33
			30 Year	3.000	15-Feb-47	104.359	2.78	-0.45



**DAILY COMMENTARY**

Bonds have backed off yesterday's best levels as today's economic data is better-than-consensus. The U.S. dollar is stronger after the Fed Funds hike and so the Loonie is lower on the day.

Source: Bloomberg, Odium Brown



ECONOMIC RELEASES							CANADA/U.S. SPREADS			YIELD CURVE SHIFTS			
DATE	CANADA	EST	ACTUAL	USA	EST	ACTUAL	TERM	BPs	CHANGE	ROLL	SPREAD	CHANGE	
MON	BBG Nanos Confidence		57.8	Mthly Budget	(\$87b)	(\$88.4b)	3 Month	-0.48	0.040	2 - 5 Year	0.22	0.00	
								-0.44	-0.022	2 - 10 Year	0.59	-0.02	
							5 Year	-0.60	-0.016	2 - 30 Year	1.13	-0.03	
TUE				NFIB Sm. Buis Optimism	104.50	104.50	10 Year	-0.64	0.002	5 - 10 Year	0.37	-0.02	
				PPI Core MoM	0.20%	0.30%	30 Year	-0.73	-0.009	10 - 30 Year	0.54	0.00	
				PPI Core YoY	1.90%	2.10%							
WED	Teranet Home Prices		2.23%	MBA Mortgage Applications		2.1%	U.S. RATES			CDN MONEY MARKET		CANADIAN RATES	
	Teranet Home Prices YoY		13.90%	CPI Core MoM	0.20%	0.1%	PRIME	4.25	Bankers' Acceptances	PRIME	2.7		
				CPI Core YoY	1.9%	1.7%	BANK RATE	3.00	30 Day	0.84	BANK RATE	0.5	
				Real Avge. Wkly Earnings		0.60%	FED FUNDS	1.25	60 Day	0.87			
				Real Avge. Wkly Earnings		0.6%	DISCOUNT	1.50	90 Day	0.90			
				Retail Sales	0.10%	-0.3%	LIBOR 3MO						
				FOMC Rate Decision	1.25%	1.25%							
THU	Mfg Sales MoM	1.0%	1.1%	Initial Jobless Claims	241k	237k	CANADA YIELD CURVE						
	Existing Home Sales		-6.2%	Continuing Claims	1917k	1935k	January 3, 2012 - Today						
				Import Price Index		-0.30%							
				Import Price Index YoY	2.9%	2.1%							
				Philly Fed	24.9	27.60							
				Ind'l Production	0.20%	0.00%							
				Capacity Utilization	76.8%	76.60%							
				Mfg	0.10%	-0.40%							
				NAHB Hsg Mkt Index	70.0								
				Net TIC Flows									
FRI	Int'l Secs. Transactions			Housing Starts	1218k								
				Housing Starts MoM	3.9%								
				Building Permits	1250k								
				Building Permits MoM	1.80%								
				U. Mich. Sentimentr	97.1								

Source: Bloomberg, Odlum Brown