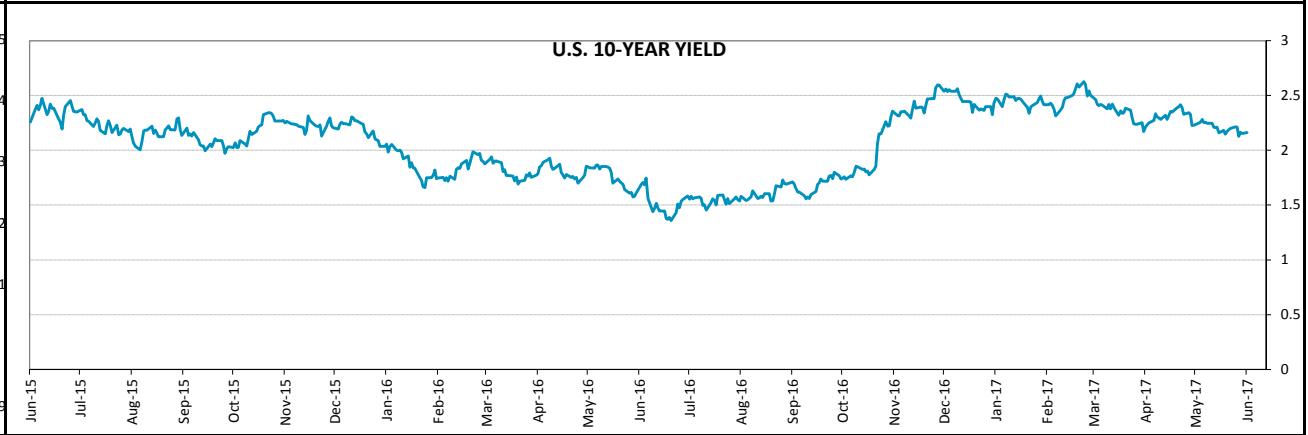
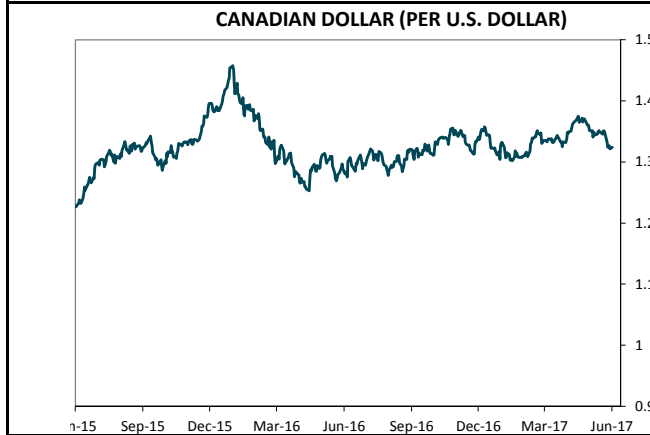




CAD\$ FOREIGN EXCHANGE CROSSES			CANADA BENCHMARKS					
CROSS	SPOT	CHANGE	TERM	COUPON	MATURITY	PRICE	YIELD	\$ CHANGE
USD/CAD	1.324	0.0028	2 Year	0.500	1-Feb-19	99.409	0.87	-0.01
CAD/USD	0.755	-0.0016	5 Year	0.500	1-Mar-22	97.07	1.14	0.02
EUR/CAD	1.480	0.0008	10 Year	1.500	1-Jun-26	100.567	1.43	-0.02
GBP/CAD	1.692	0.0029	30 Year	2.750	1-Dec-48	116.628	2.03	0.04
CAD/JPY	84.043	0.1090						

US\$ FOREIGN EXCHANGE CROSSES			U.S. BENCHMARKS					
CROSS	SPOT	CHANGE	TERM	COUPON	MATURITY	PRICE	YIELD	\$ CHANGE
EUR/USD	1.118	-0.0018	2 Year	1.250	31-Mar-19	99.836	1.34	-0.03
GBP/USD	1.278	-0.0005	5 Year	1.875	31-Mar-22	100.492	1.77	-0.05
USD/JPY	111.290	0.4100	10 Year	2.250	15-Feb-27	100.656	2.17	-0.08
			30 Year	3.000	15-Feb-47	104.250	2.79	-0.17



**DAILY COMMENTARY**

Bond prices are weaker on inflation concerns.  
 It is a light news week with Canadian CPI on Friday being noteworthy.  
 The Loonie is weaker but still near recent highs as pundits are looking to a possible rate hike by the Bank of Canada.

Source: Bloomberg, Odlum 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						3 Month	-0.48	0.043	2 - 5 Year	0.24	0.00	
								-0.44	0.012	2 - 10 Year	0.62	-0.01	
							5 Year	-0.63	0.019	2 - 30 Year	1.13	-0.01	
TUE	Wholesale Trade Sales MoM	0.5%		Current Account	(\$123.6b)		10 Year	-0.65	0.022	5 - 10 Year	0.38	0.00	
							30 Year	-0.75	0.013	10 - 30 Year	0.51	0.00	
WED				MBA Mortgage Applications			<b>U.S. RATES</b>			<b>CDN MONEY MARKET</b>		<b>CANADIAN RATES</b>	
				Existing House Sales	5.55m		PRIME	4.25		Bankers' Acceptances		PRIME	2.7
				Existing House Sales MoM	-0.4%		BANK RATE	3.00		30 Day	0.84	BANK RATE	0.5
							FED FUNDS	1.25		60 Day	0.88		
							DISCOUNT	1.75		90 Day	0.91		
							LIBOR 3MO						
THU	Retail Sales MoM	0.3%		Initial Jobless Claims	240k		<b>CANADA YIELD CURVE</b>						
				Continuing Claims	1928k		January 3, 2012 - Today						
				FHFA House Price Index	0.5%								
				Leading Index	0.4%								
				Kansas City Fed	10.0								
FRI	CPI Core MoM	0.3%		US Mfg PMI	52.9								
	CPI Core YoY	1.4%		US Services PMI	53.5								
				New Home Sales	591k								
				New Home Sales MoM	3.80%								

Source: Bloomberg, Odlum Brown