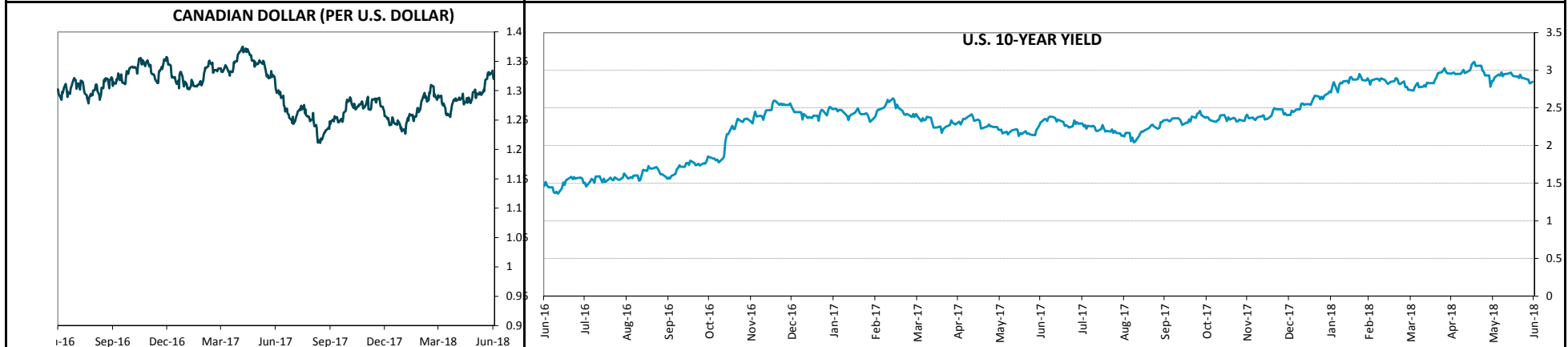




CAD\$ FOREIGN EXCHANGE CROSSES			CANADA BENCHMARKS					
CROSS	SPOT	CHANGE	TERM	COUPON	MATURITY	PRICE	YIELD	\$ CHANGE
USD/CAD	1.319	-0.0058	2 Year	1.250	1-Nov-19	99.272	1.81	-0.04
CAD/USD	0.758	0.0033	5 Year	1.000	1-Sep-22	95.94	2.02	-0.12
EUR/CAD	1.535	0.0026	10 Year	1.000	1-Jun-27	90.750	2.15	-0.19
GBP/CAD	1.735	0.0023	30 Year	2.750	1-Dec-48	111.848	2.21	-0.24
CAD/JPY	83.950	0.5550						

US\$ FOREIGN EXCHANGE CROSSES			U.S. BENCHMARKS					
CROSS	SPOT	CHANGE	TERM	COUPON	MATURITY	PRICE	YIELD	\$ CHANGE
EUR/USD	1.164	0.0071	2 Year	1.875	31-Dec-19	99.105	2.73	-0.04
GBP/USD	1.315	0.0076	5 Year	2.125	31-Aug-22	97.477	2.73	-0.09
USD/JPY	110.750	0.2600	10 Year	2.250	15-Nov-27	95.063	2.85	-0.09
			30 Year	2.750	15-Nov-47	95.672	2.97	-0.08



DAILY COMMENTARY

Bond pricers are weaker again, mostly as inflation has edged above the Fed's target. The Loonie got a boost from decent growth numbers and wholesale inflation data.

Source: Bloomberg, Odium Brown



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		55.3	Chicago Fed New Home Sales New Home Sales MoM Dallas Fed	0.30 667k 0.8% 23.0	-0.15 689k 6.7% 36.5	0			3 Month	0.17	0.00
TUE				Case/ Shiller 20 city HP Case/ Shiller 20 city HP Richmond Fed Conf. Board Cons Conf.	0.40% 6.80% 15.00 128.00	0.20% 6.56% 20.00 126.40				5 Year	0.33	-0.02
WED				MBA Mortgage Applications Wholesale Inventories MoM Retail Inventories MoM Trade Balance Durable Goods Orders Capital Goods Pending Home Sales	0.2% (69.0b) -0.90% 0.4% 0.70%	-4.9% 0.5% 0.40% (\$64.8b) -0.60% -0.2% -0.50%				10 Year	0.11	0.00
THU				Initial Jobless Claims Continuing Claims GDP ANN QoQ Personal Consumption GDP Price Index Core PCE QoQ Kansas Fed	220k 1718k 2.2% 1.0% 1.9% 26.0	227k 1705k 2.0% 0.9% 2.2% 2.3% 28.0				30 Year	0.06	-0.02
FRI	Ind'l Product Prices Index Raw Materials Prices GDP MoM GDP YoY BoC Bus Outlook	0.90% 2.7% 0.0% 2.6%	1.0% 3.8% 0.1% 2.5%	Personal Income Personal Spending PCE Core MoM PCE Core YoY Chicago Purch Mgrs. U. Michigan Sentiment	0.4% 0.4% 0.2% 1.9% 60.0 99.2	0.4% 0.2% 0.2% 2.0% 64.1 98.2				LIBOR 3MO		

U.S. RATES		CDN MONEY MARKET		CANADIAN RATES	
PRIME	5.00	Bankers' Acceptances		PRIME	3.45
BANK RATE	3.75	30 Day	1.65	BANK RATE	1.25
FED FUNDS	2.00	60 Day	1.69		
DISCOUNT	2.50	90 Day	1.75		
LIBOR 3MO					

CANADA YIELD CURVE
January 3, 2012 - Today

Source: Bloomberg, Odlum Brown