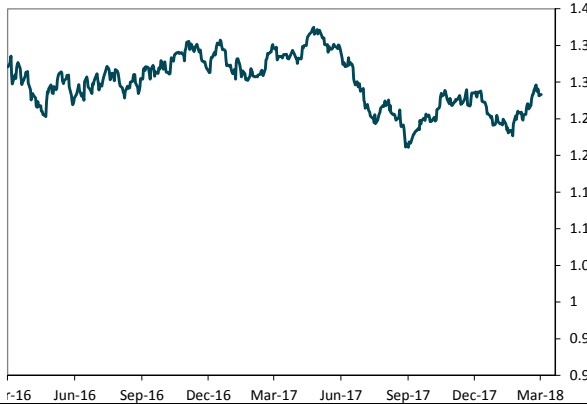




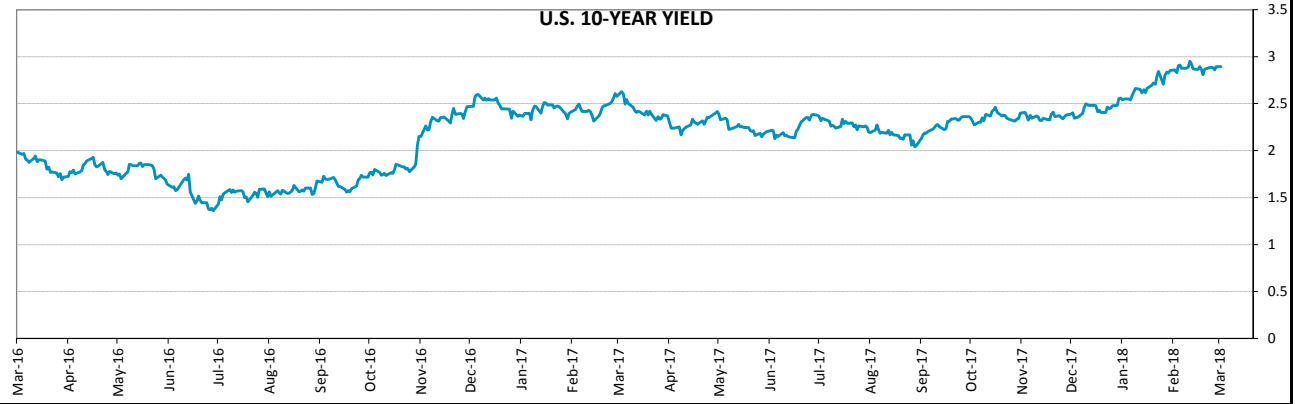
CAD\$ FOREIGN EXCHANGE CROSSES			CANADA BENCHMARKS					
CROSS	SPOT	CHANGE	TERM	COUPON	MATURITY	PRICE	YIELD	\$ CHANGE
USD/CAD	1.283	0.0018	2 Year	1.250	1-Nov-19	99.157	1.77	-0.01
CAD/USD	0.779	-0.0012	5 Year	1.000	1-Sep-22	95.52	2.06	-0.01
EUR/CAD	1.578	0.0015	10 Year	1.000	1-Jun-27	89.508	2.26	0.00
GBP/CAD	1.782	0.0079	30 Year	2.750	1-Dec-48	106.690	2.44	0.03
CAD/JPY	83.079	-0.3060						

US\$ FOREIGN EXCHANGE CROSSES			U.S. BENCHMARKS					
CROSS	SPOT	CHANGE	TERM	COUPON	MATURITY	PRICE	YIELD	\$ CHANGE
EUR/USD	1.230	-0.0006	2 Year	1.875	31-Dec-19	99.344	2.65	-0.02
GBP/USD	1.389	0.0042	5 Year	2.125	31-Aug-22	97.617	2.65	-0.03
USD/JPY	106.600	-0.2200	10 Year	2.250	15-Nov-27	94.500	2.90	0.02
			30 Year	2.750	15-Nov-47	92.250	3.15	0.16

CANADIAN DOLLAR (PER U.S. DOLLAR)



U.S. 10-YEAR YIELD



DAILY COMMENTARY

Bond prices are unchanged this morning. The market is bracing for three U.S. Treasury auctions this week. The size of these auctions has increased significantly so they should be a test for the market. Also, U.S. inflation numbers will be observed keenly tomorrow. The loonie is unchanged after Friday's rally.

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				Mthly Budget	(\$216b)							
TUE				NFIB Sm. Bus Optimism CPI Core MoM CPI Core YoY Real Avge. Weekly Earns. Real Avge. Hourly Earns.	107.10 0.20% 1.80%							
WED	Teranet House Price Index Teranet House Price Index			MBA Mortgage Applications Retail Sales PPI Core MoM PPI Core YoY Bus. Inventories	0.3% 0.2% 2.6% 0.60%							
THU	Existing Home Sales			Initial Jobless Claims Continuing Claims Empire Mfg Import Pr. Index MoM Import Pr. Index YoY Export Price Index MoM Export Price Index YoY Philly Fed NAHB Hsg Mkt Index Total TIC Flows	227k 1905k 15.0 0.2% 3.5% 0.2%							
FRI	Int'l Secs Transactions			Housing Starts Housing Starts Building Permits Building Permits Ind'l Production Capacity Utilization JOLTS Job Openings U. Michigan Sentiment	1290k -2.7% 1320k -4.1% 0.4% 77.7% 5950.0 99.1							

U.S. RATES			CDN MONEY MARKET		CANADIAN RATES	
PRIME	4.50	Bankers' Acceptances	PRIME	3.45		
BANK RATE	3.25	30 Day	1.59	BANK RATE	1.25	
FED FUNDS	1.50	60 Day	1.64			
DISCOUNT	2.00	90 Day	1.69			
LIBOR 3MO						

CANADA YIELD CURVE
January 3, 2012 - Today

Source: Bloomberg, Odlum Brown