

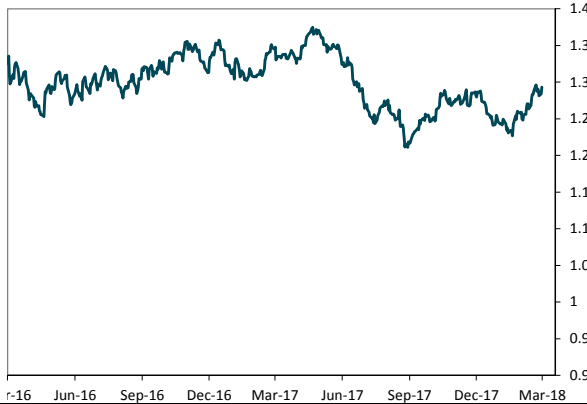


CAD\$ FOREIGN EXCHANGE CROSSES			CANADA BENCHMARKS						
CROSS	SPOT	CHANGE	TERM	COUPON	MATURITY	PRICE	YIELD	\$ CHANGE	
USD/CAD	1.292	0.0078	2 Year	1.250	1-Nov-19	99.173	1.77	0.01	
CAD/USD	0.774	-0.0047	5 Year	1.000	1-Sep-22	95.64	2.03	0.06	
EUR/CAD	1.598	0.0140	10 Year	1.000	1-Jun-27	89.812	2.23	0.05	
GBP/CAD	1.803	0.0175	30 Year	2.750	1-Dec-48	107.457	2.41	0.14	
CAD/JPY	82.781	-0.0870							

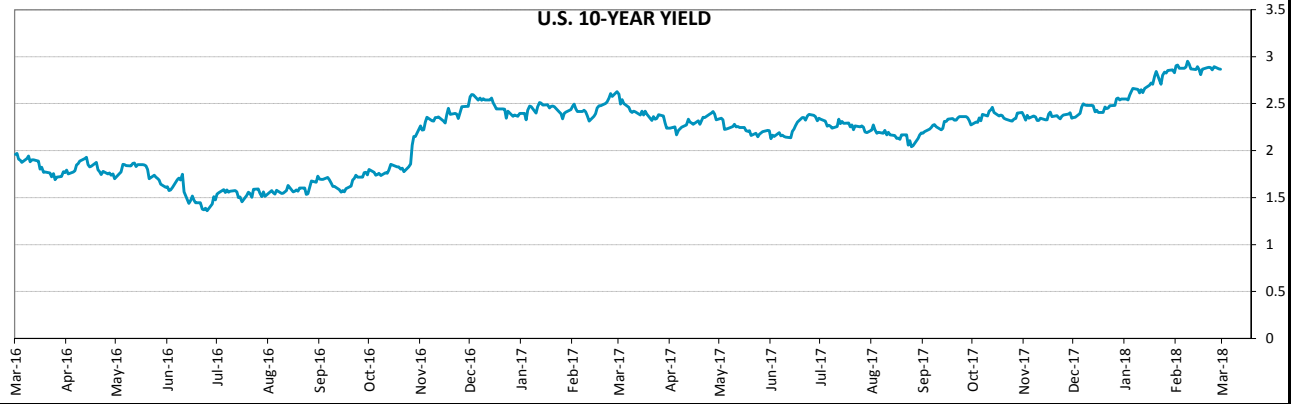
  

US\$ FOREIGN EXCHANGE CROSSES			U.S. BENCHMARKS						
CROSS	SPOT	CHANGE	TERM	COUPON	MATURITY	PRICE	YIELD	\$ CHANGE	
EUR/USD	1.237	0.0034	2 Year	1.875	31-Dec-19	99.340	2.64	-0.02	
GBP/USD	1.396	0.0051	5 Year	2.125	31-Aug-22	97.711	2.64	-0.01	
USD/JPY	106.970	0.5500	10 Year	2.250	15-Nov-27	94.719	2.88	0.02	
			30 Year	2.750	15-Nov-47	92.609	3.13	0.00	

CANADIAN DOLLAR (PER U.S. DOLLAR)



U.S. 10-YEAR YIELD



**DAILY COMMENTARY**

Bond prices are higher despite two lackluster Treasury auctions yesterday. Today's inflation data was benign and traders took that as a positive for bond prices. The U.S. dollar is weaker as a result.

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)	(\$215.2b)						
TUE				NFIB Sm. Bus Optimism	107.10	107.60						
				CPI Core MoM	0.20%	0.20%						
				CPI Core YoY	1.80%	1.80%						
				Real Avge. Weekly Earns.		0.60%						
				Real Avge. Hourly Earns.		0.40%						
WED	Teranet House Price Index			MBA Mortgage Applications			PRIME	4.50	Bankers' Acceptances	PRIME	3.45	
	Teranet House Price Index			Retail Sales	0.3%		BANK RATE	3.25	30 Day	1.59	BANK RATE	1.25
				PPI Core MoM	0.2%		FED FUNDS	1.50	60 Day	1.64		
				PPI Core YoY	2.6%		DISCOUNT	2.00	90 Day	1.70		
				Bus. Inventories	0.60%		LIBOR 3MO					
THU	Existing Home Sales			Initial Jobless Claims	227k		<b>CANADA YIELD CURVE</b> <i>January 3, 2012 - Today</i>					
				Continuing Claims	1905k							
				Empire Mfg	15.0							
				Import Pr. Index MoM	0.2%							
				Import Pr. Index YoY	3.5%							
				Export Price Index MoM	0.2%							
				Export Price Index YoY								
				Philly Fed	23.00							
				NAHB Hsg Mkt Index	71.0							
				Total TIC Flows								
FRI	Int'l Secs Transactions			Housing Starts	1290k							
				Housing Starts	-2.7%							
				Building Permits	1320k							
				Building Permits	-4.1%							
				Ind'l Production	0.4%							
				Capacity Utilization	77.7%							
				JOLTS Job Openings	5950.0							
				U. Michigan Sentiment	99.1							

Source: Bloomberg, Odlum Brown