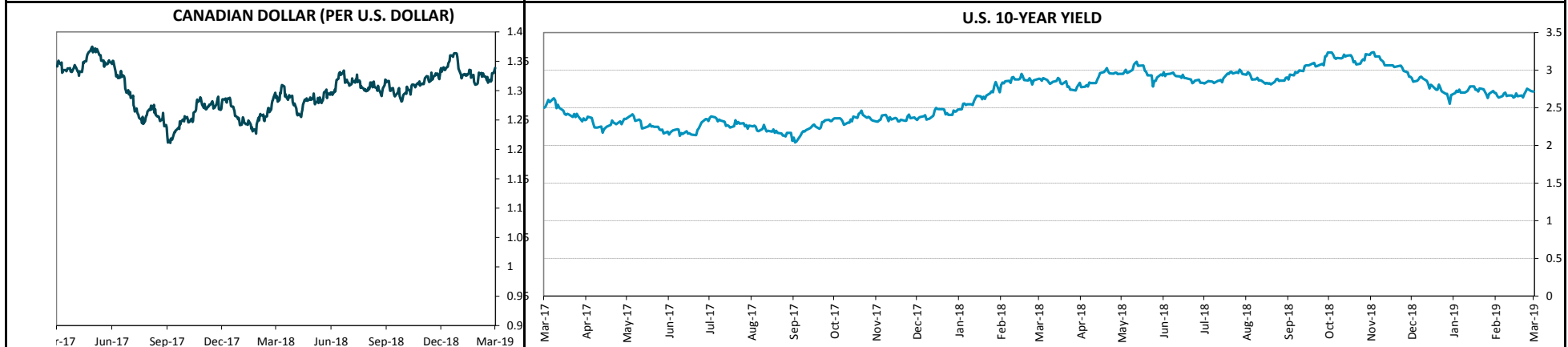




CAD\$ FOREIGN EXCHANGE CROSSES			CANADA BENCHMARKS					
CROSS	SPOT	CHANGE	TERM	COUPON	MATURITY	PRICE	YIELD	\$ CHANGE
USD/CAD	1.343	0.0082	2 Year	2.000	1-Nov-20	100.517	1.68	0.08
CAD/USD	0.745	-0.0046	5 Year	2.000	1-Sep-23	101.31	1.70	0.24
EUR/CAD	1.519	0.0094	10 Year	2.000	1-Jun-28	101.528	1.82	0.49
GBP/CAD	1.767	0.0080	30 Year	2.750	1-Dec-48	113.822	2.12	0.84
CAD/JPY	83.180	-0.6340						

US\$ FOREIGN EXCHANGE CROSSES			U.S. BENCHMARKS					
CROSS	SPOT	CHANGE	TERM	COUPON	MATURITY	PRICE	YIELD	\$ CHANGE
EUR/USD	1.131	0.0001	2 Year	2.875	31-Oct-20	100.488	2.57	-0.02
GBP/USD	1.316	-0.0021	5 Year	2.875	31-Oct-23	101.500	2.53	0.03
USD/JPY	111.730	-0.1600	10 Year	2.875	15-Aug-28	101.438	2.70	0.11
			30 Year	3.000	15-Aug-48	98.422	3.08	0.13



**DAILY COMMENTARY**

Bond yields are unchanged as the news remains mixed. The ADP report was encouraging for Friday's employment data. The Bank of Canada announcement should reveal a revised economic forecast. The loonie was dealt another blow with the release of a huge trade deficit. As expected, the Bank of Canada left its key policy rate unchanged, leaving little doubt that it will be on the sidelines indefinitely as it monitors domestic and global economic trends.

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	
67 MON	BB Nanos Conf MLI Leading Indicator		0.0%	Constr. Spending MoM	0.10%	-0.60%	3 Month	-0.80	0.067	2 - 5 Year	0.02	0.00	
TUE				Services PMI	56.20	56.00	2 Year	-0.85	0.043	2 - 10 Year	0.14	0.00	
				ISM Non-Mfg	57.30	59.70	5 Year	-0.82	0.046	2 - 30 Year	0.44	0.02	
				New Home Sales	590k	621k	10 Year	-0.89	0.046	5 - 10 Year	0.12	0.00	
				New Home Sales MoM	-8.70%	3.70%	30 Year	-0.95	0.028	10 - 30 Year	0.30	0.02	
				Mthly Budget	10b	8.7b	<b>U.S. RATES</b>			<b>CDN MONEY MARKET</b>		<b>CANADIAN RATES</b>	
WED	Int'l Trade	(\$1.7b)	(\$4.59b)	MBA Mortgage Applications		-2.5%	PRIME	5.50	Bankers' Acceptances	PRIME	3.95		
	Labour productivity QoQ		-0.40%	ADP Employment Change	190k	183k	BANK RATE	4.25	30 Day	2.02	BANK RATE	1.75	
	Bank of Canada Rate Decision	1.75%	1.75%	Trade Balance	(\$57.8b)	(\$59.8b)	FED FUNDS	2.50	60 Day	2.06			
	Ivey Purch. Mgrs		50.60	Fed Beige Book			DISCOUNT	3.00	90 Day	2.08			
THU	Building Permits MoM	-1.5%		Initial Jobless Claims	225k		LIBOR 3MO						
				Continuing Claims	1762k		<b>CANADA YIELD CURVE</b> January 3, 2012 - Today						
				Challenger Job cuts									
				Non-Farm Prody	1.50%								
				Unit Labour Costs	1.7%								
				Consumer Credit	\$17.0b								
FRI	Housing Starts	203.5k		Housing Starts	1190k								
	Net Change employment	(2.5k)		Housing Starts MoM	10.4%								
	Unemployment Rate	5.8%		Building Permits	1287k								
	Hourly Wages	1.9%		Building Permits MoM	-2.8%								
				Chg. Non_Farm Payrolls	185k								
				Unemployment Rate	3.9%								
				Avg. Hrly Earnings	0.3%								
				Avg. Hrly Earnings YoY	3.3%								

Source: Bloomberg, Odium Brown