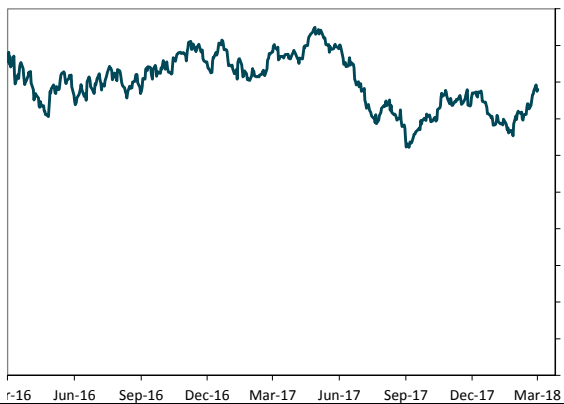




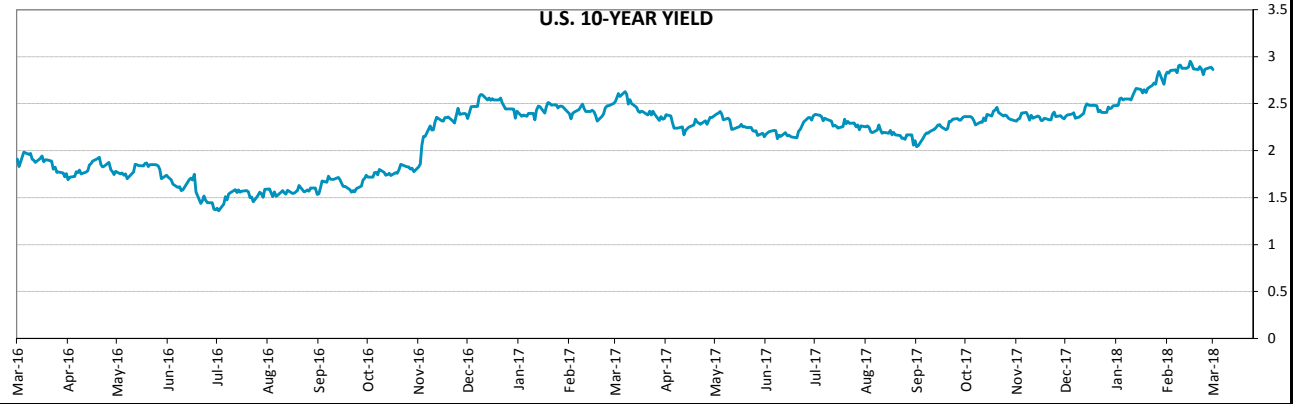
CAD\$ FOREIGN EXCHANGE CROSSES			CANADA BENCHMARKS					
CROSS	SPOT	CHANGE	TERM	COUPON	MATURITY	PRICE	YIELD	\$ CHANGE
USD/CAD	1.290	0.0023	2 Year	1.250	1-Nov-19	99.243	1.72	0.00
CAD/USD	0.775	-0.0014	5 Year	1.000	1-Sep-22	95.69	2.01	0.00
EUR/CAD	1.602	0.0048	10 Year	1.000	1-Jun-27	89.844	2.22	0.06
GBP/CAD	1.788	0.0003	30 Year	2.750	1-Dec-48	107.800	2.39	0.08
CAD/JPY	82.056	-0.3650						

US\$ FOREIGN EXCHANGE CROSSES			U.S. BENCHMARKS					
CROSS	SPOT	CHANGE	TERM	COUPON	MATURITY	PRICE	YIELD	\$ CHANGE
EUR/USD	1.242	0.0015	2 Year	1.875	31-Dec-19	99.367	2.63	0.00
GBP/USD	1.387	-0.0022	5 Year	2.125	31-Aug-22	97.727	2.63	0.09
USD/JPY	105.850	-0.2800	10 Year	2.250	15-Nov-27	94.719	2.87	0.22
			30 Year	2.750	15-Nov-47	92.578	3.14	0.39

CANADIAN DOLLAR (PER U.S. DOLLAR)



U.S. 10-YEAR YIELD



DAILY COMMENTARY

Bond prices are weaker again as questions swirl regarding the tariff threats. Meanwhile, economic data remain constructive. It is unlikely that the Bank of Canada will raise its overnight lending rate against this backdrop. The U.S. dollar is rallying against most currencies.

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	MLI Leading Indicator		0.4%	US Services PMI ISM Non-Mfg	55.90 59.0	55.9 59.5	3 Month	-0.58	0.055	2 - 5 Year	0.27	0.00																																	
								-0.47	-0.007	2 - 10 Year	0.45	-0.01																																	
							5 Year	-0.59	-0.023	2 - 30 Year	0.62	0.00																																	
TUE	Ivey Purch. Mgrs.		59.60	Factory Orders Durable Goods Capital Goods Orders	-1.30% -2.50%	-1.40% -3.60% -0.20%	10 Year	-0.64	-0.019	5 - 10 Year	0.18	-0.01																																	
							30 Year	-0.74	-0.017	10 - 30 Year	0.17	0.00																																	
WED	Labour Prody QoQ Int'l Merchandise Tradse Bank of Canada Rate Decision	0.1% (\$2,55b) 1.25%	0.2% (\$1.91b)	MBA Mortgage Applications ADP Employment Change Non-Farm Prody Unit Labour Costs Trade Balance Fed Beige Book Consumer Credit	200k -0.1% 2.1% (\$55.1b) \$18b	0.3% 235k 0.0% 2.5% (\$56.6b)	<table border="1"> <thead> <tr> <th colspan="2">U.S. RATES</th> <th colspan="2">CDN MONEY MARKET</th> <th colspan="2">CANADIAN RATES</th> </tr> </thead> <tbody> <tr> <td>PRIME</td> <td>4.50</td> <td>Bankers' Acceptances</td> <td></td> <td>PRIME</td> <td>3.45</td> </tr> <tr> <td>BANK RATE</td> <td>3.25</td> <td>30 Day</td> <td>1.58</td> <td>BANK RATE</td> <td>1.25</td> </tr> <tr> <td>FED FUNDS</td> <td>1.50</td> <td>60 Day</td> <td>1.63</td> <td></td> <td></td> </tr> <tr> <td>DISCOUNT</td> <td>2.00</td> <td>90 Day</td> <td>1.68</td> <td></td> <td></td> </tr> <tr> <td>LIBOR 3MO</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>			U.S. RATES		CDN MONEY MARKET		CANADIAN RATES		PRIME	4.50	Bankers' Acceptances		PRIME	3.45	BANK RATE	3.25	30 Day	1.58	BANK RATE	1.25	FED FUNDS	1.50	60 Day	1.63			DISCOUNT	2.00	90 Day	1.68			LIBOR 3MO					
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THU	Housing Starts New House Price Index Building Permits MoM Capacity Utilization	215k 0.1% -2.0% 85.20%		Initial Jobless Claims Continuing Claims Challenger Job Cuts	220k 1922k		<p>CANADA YIELD CURVE January 3, 2012 - Today</p>																																						
FRI	Net Chg. Employment Unemployment Rate	21.0k 5.9%		Chg. Non-Farm Parolls Unemployment Rate Avg. Hourly Earnings Avg. Hourly Earnings YoY Wholesale Trade Sales MoM Wholesale Inventories MoM	200k 4.0% 0.2% 2.8% 0.7%																																								

Source: Bloomberg, Odlum Brown