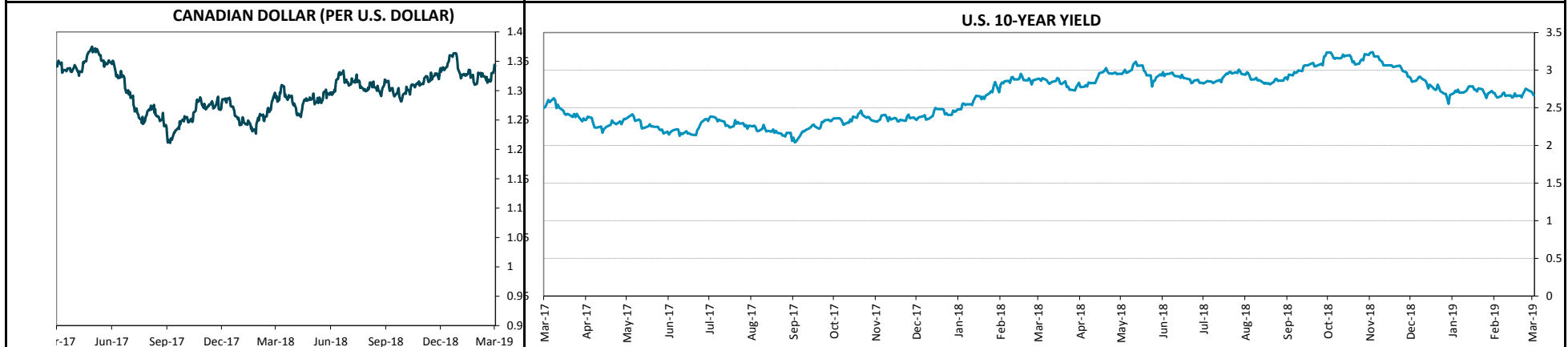




CAD\$ FOREIGN EXCHANGE CROSSES			CANADA BENCHMARKS					
CROSS	SPOT	CHANGE	TERM	COUPON	MATURITY	PRICE	YIELD	\$ CHANGE
USD/CAD	1.342	-0.0022	2 Year	2.000	1-Nov-20	100.554	1.66	0.03
CAD/USD	0.745	0.0012	5 Year	2.000	1-Sep-23	101.43	1.67	0.09
EUR/CAD	1.509	-0.0110	10 Year	2.000	1-Jun-28	101.688	1.80	0.20
GBP/CAD	1.760	-0.0107	30 Year	2.750	1-Dec-48	114.257	2.10	0.36
CAD/JPY	83.238	0.0890						

US\$ FOREIGN EXCHANGE CROSSES			U.S. BENCHMARKS					
CROSS	SPOT	CHANGE	TERM	COUPON	MATURITY	PRICE	YIELD	\$ CHANGE
EUR/USD	1.124	-0.0063	2 Year	2.875	31-Oct-20	100.551	2.53	0.02
GBP/USD	1.311	-0.0057	5 Year	2.875	31-Oct-23	101.719	2.48	0.13
USD/JPY	111.700	-0.0700	10 Year	2.875	15-Aug-28	101.797	2.65	0.25
			30 Year	3.000	15-Aug-48	98.938	3.05	0.39



**DAILY COMMENTARY**

Bond yields are lower after a dovish ECB downgraded the Euro area growth outlook, introduced new monetary ease and stated that it would not raise rates this year. The loonie has rebounded slightly from yesterday's Bank of Canada's dovish remarks.

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%						
TUE				Services PMI	56.20	56.00						
				ISM Non-Mfg	57.30	59.70						
				New Home Sales	590k	621k						
				New Home Sales MoM	-8.70%	3.70%						
				Mthly Budget	10b	8.7b						
WED	Int'l Trade	(\$1.7b)	(\$4.59b)	MBA Mortgage Applications		-2.5%						
	Labour productivity QoQ		-0.40%	ADP Employment Change	190k	183k						
	Bank of Canada Rate Decision	1.75%	1.75%	Trade Balance	(\$57.8b)	(\$59.8b)						
	Ivey Purch. Mgrs		50.60	Fed Beige Book								
THU	Building Permits MoM	-1.5%		Initial Jobless Claims	225k	223k						
				Continuing Claims	1762k	1755k						
				Challenger Job cuts		117.2%						
				Non-Farm Prody	1.50%	1.9%						
				Unit Labour Costs	1.7%	2.0%						
				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%							

U.S. RATES			CDN MONEY MARKET		CANADIAN RATES	
PRIME	5.50	Bankers' Acceptances		PRIME	3.95	
BANK RATE	4.25	30 Day	2.01	BANK RATE	1.75	
FED FUNDS	2.50	60 Day	2.04			
DISCOUNT	3.00	90 Day	2.06			
LIBOR 3MO						

**CANADA YIELD CURVE**  
January 3, 2012 - Today

Term	Yield (Today)	Yield (Jan 3, 2012)
1	0.2491	0.2491
2	0.81	0.81
3	0.97	0.97
4	0.970	0.970
5	1.010	1.010
6	1.200	1.200
7	1.300	1.300
8	1.540	1.540
9	1.990	1.990
10	2.57	2.57

Source: Bloomberg, Odlum Brown