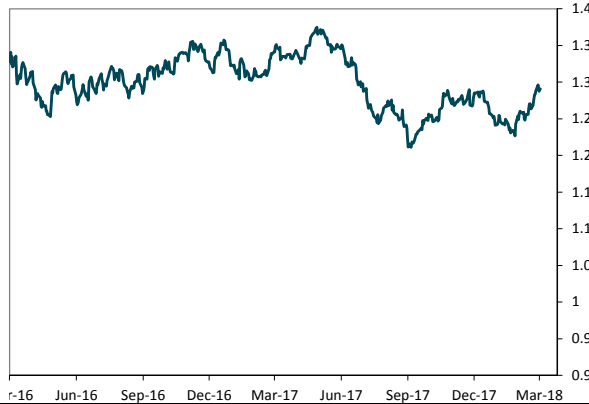




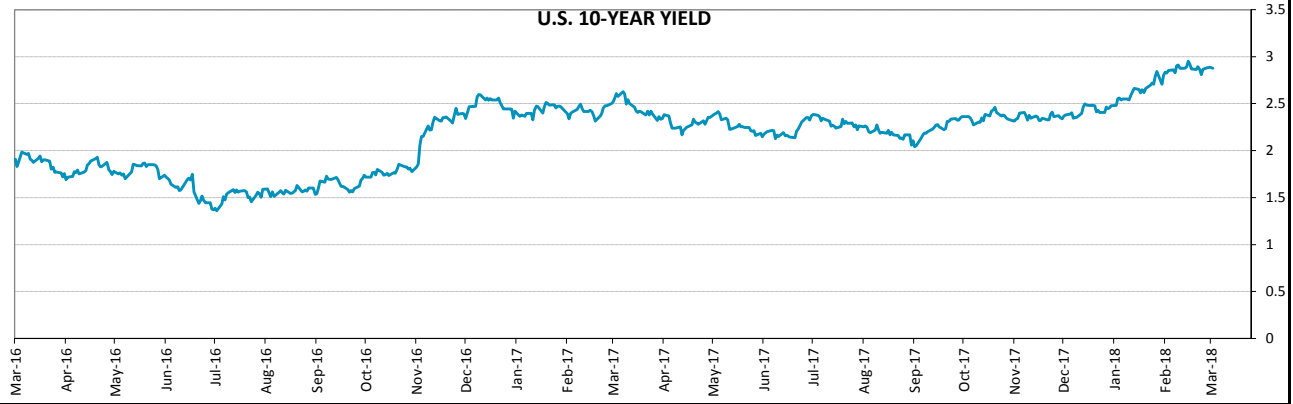
CAD\$ FOREIGN EXCHANGE CROSSES			CANADA BENCHMARKS					
CROSS	SPOT	CHANGE	TERM	COUPON	MATURITY	PRICE	YIELD	\$ CHANGE
USD/CAD	1.290	-0.0008	2 Year	1.250	1-Nov-19	99.236	1.73	0.00
CAD/USD	0.775	0.0004	5 Year	1.000	1-Sep-22	95.69	2.01	0.01
EUR/CAD	1.598	-0.0042	10 Year	1.000	1-Jun-27	89.791	2.23	0.04
GBP/CAD	1.790	-0.0038	30 Year	2.750	1-Dec-48	107.262	2.41	-0.08
CAD/JPY	82.243	0.0950						

US\$ FOREIGN EXCHANGE CROSSES			U.S. BENCHMARKS					
CROSS	SPOT	CHANGE	TERM	COUPON	MATURITY	PRICE	YIELD	\$ CHANGE
EUR/USD	1.239	-0.0024	2 Year	1.875	31-Dec-19	99.355	2.64	-0.01
GBP/USD	1.388	-0.0021	5 Year	2.125	31-Aug-22	97.672	2.64	0.02
USD/JPY	106.140	0.0700	10 Year	2.250	15-Nov-27	94.594	2.89	0.06
			30 Year	2.750	15-Nov-47	92.344	3.15	0.09

CANADIAN DOLLAR (PER U.S. DOLLAR)



U.S. 10-YEAR YIELD



DAILY COMMENTARY

Bonds are range bound with the U.S. ten-year stuck just below 2.90%.
 The market is bracing for another good employment report tomorrow.
 ECB head Draghi made no overt changes in monetary policy but he did remove the easing bias from his comments.
 The loonie has stabilized after recent updates on the tariff situation.

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	-0.59 -0.48	0.055 0.002	2 - 5 Year	0.26	-0.01
TUE	Ivey Purch. Mgrs.		59.60	Factory Orders Durable Goods Capital Goods Orders	-1.30% -2.50%	-1.40% -3.60% -0.20%	5 Year	-0.60	-0.002	2 - 10 Year	0.45	-0.01
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) \$13.9b	10 Year	-0.64	-0.002	2 - 30 Year	0.64	0.00
THU	Housing Starts New House Price Index Building Permits MoM	215k 0.1% -2.0%	230k 0.0% 5.6%	Initial Jobless Claims Continuing Claims Challenger Job Cuts	220k 1922k	231k 1870k -4.3%	30 Year	-0.73	-0.008	5 - 10 Year	0.19	0.00
FRI	Net Chg. Employment Unemployment Rate Capacity Utilization Rate	21.0k 5.9% 85.2%		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%		LIBOR 3MO			10 - 30 Year	0.18	0.01

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	1.63		
DISCOUNT	2.00	90 Day	1.68		

CANADA YIELD CURVE
January 3, 2012 - Today

Source: Bloomberg, Odlum Brown