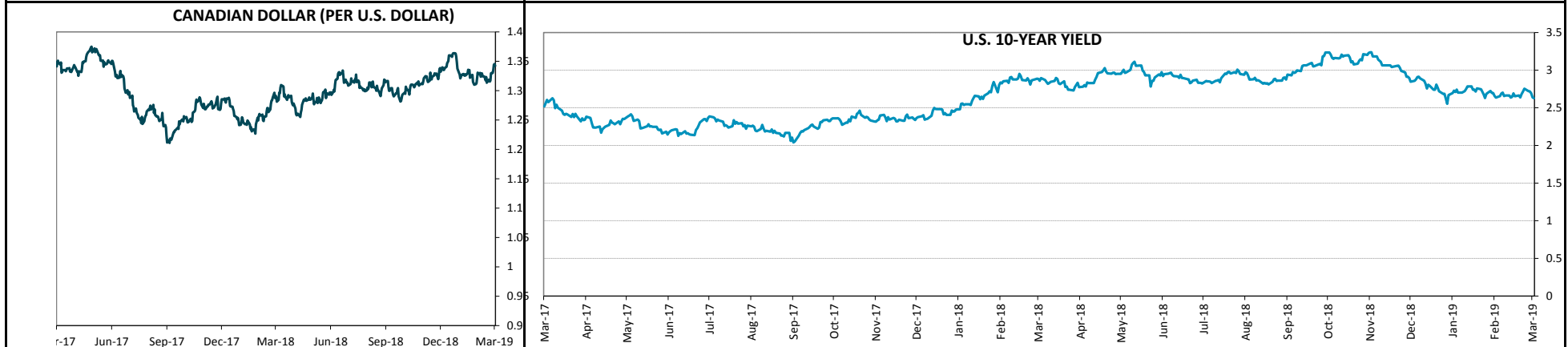




CAD\$ FOREIGN EXCHANGE CROSSES			CANADA BENCHMARKS					
CROSS	SPOT	CHANGE	TERM	COUPON	MATURITY	PRICE	YIELD	\$ CHANGE
USD/CAD	1.342	-0.0031	2 Year	2.000	1-Nov-20	100.583	1.64	-0.02
CAD/USD	0.745	0.0017	5 Year	2.000	1-Sep-23	101.59	1.63	-0.01
EUR/CAD	1.506	0.0004	10 Year	2.000	1-Jun-28	102.032	1.76	0.03
GBP/CAD	1.755	-0.0055	30 Year	2.750	1-Dec-48	115.110	2.06	-0.02
CAD/JPY	82.638	-0.2980						

US\$ FOREIGN EXCHANGE CROSSES			U.S. BENCHMARKS					
CROSS	SPOT	CHANGE	TERM	COUPON	MATURITY	PRICE	YIELD	\$ CHANGE
EUR/USD	1.122	0.0029	2 Year	2.875	31-Oct-20	100.602	2.49	0.00
GBP/USD	1.307	-0.0011	5 Year	2.875	31-Oct-23	101.914	2.43	0.08
USD/JPY	110.940	-0.6400	10 Year	2.875	15-Aug-28	102.094	2.62	0.08
			30 Year	3.000	15-Aug-48	99.531	3.02	0.09



DAILY COMMENTARY

Bond yields are lower again. The headline employment gains were far below estimates; pundits are blaming bad weather. Other releases were more positive as wage gains exceeded expectations and the unemployment rate fell. Housing starts and building permits were both strong. Canada, despite recent GDP softness, also produced a strong employment report and thus the loonie staged a mild bounce.

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	-0.81	0.070	2 - 5 Year	0.00	-0.01	
TUE				Services PMI	56.20	56.00	2 Year	-0.82	-0.026	2 - 10 Year	0.12	-0.02	
				ISM Non-Mfg	57.30	59.70	5 Year	-0.79	-0.020	2 - 30 Year	0.43	-0.01	
				New Home Sales	590k	621k	10 Year	-0.87	-0.007	5 - 10 Year	0.13	0.00	
				New Home Sales MoM	-8.70%	3.70%	30 Year	-0.96	-0.003	10 - 30 Year	0.31	0.00	
				Mthly Budget	10b	8.7b	U.S. RATES			CDN MONEY MARKET		CANADIAN RATES	
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	2.00	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	2.03			
	Ivey Purch. Mgrs		50.60	Fed Beige Book			DISCOUNT	3.00	90 Day	2.05			
THU	Building Permits MoM	-1.5%		Initial Jobless Claims	225k	223k	LIBOR 3MO						
				Continuing Claims	1762k	1755k	CANADA YIELD CURVE						
				Challenger Job cuts		117.2%	January 3, 2012 - Today						
				Non-Farm Prody	1.50%	1.9%							
				Unit Labour Costs	1.7%	2.0%							
				Consumer Credit	\$17.0b	\$17.0b							
FRI	Housing Starts	203.5k	173.2	Housing Starts	1190k	1230k							
	Net Change employment	(2.5k)	67.4k	Housing Starts MoM	10.4%	18.6%							
	Unemployment Rate	5.8%	5.8%	Building Permits	1287k	1345k							
	Hourly Wages	1.9%	2.2%	Building Permits MoM	-2.8%	1.4%							
				Chg. Non_Farm Payrolls	185k	20k							
				Unemployment Rate	3.9%	3.8%							
				Avg. Hrly Earnings	0.3%	0.4%							
				Avg. Hrly Earnings YoY	3.3%	3.4%							

Source: Bloomberg, Odium Brown