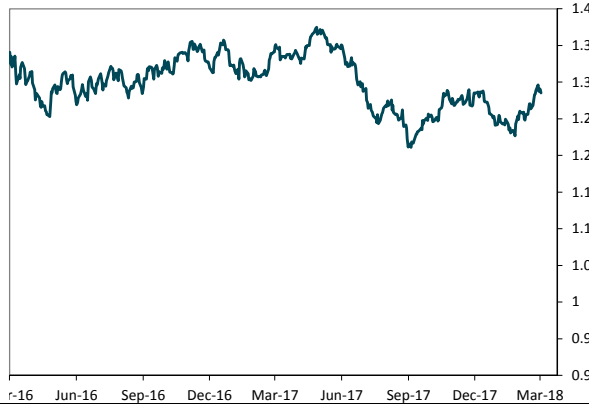




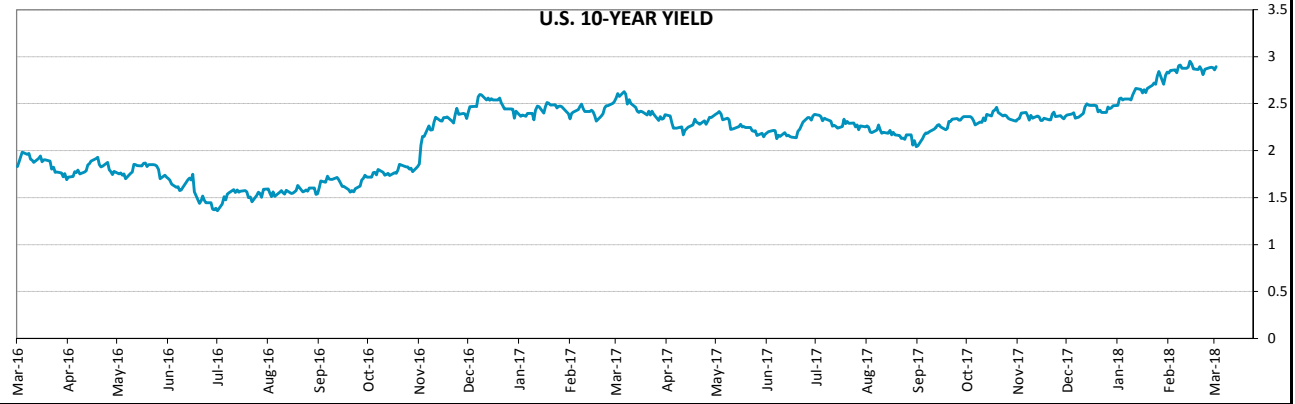
CAD\$ FOREIGN EXCHANGE CROSSES			CANADA BENCHMARKS					
CROSS	SPOT	CHANGE	TERM	COUPON	MATURITY	PRICE	YIELD	\$ CHANGE
USD/CAD	1.285	-0.0051	2 Year	1.250	1-Nov-19	99.203	1.75	-0.03
CAD/USD	0.778	0.0029	5 Year	1.000	1-Sep-22	95.63	2.03	-0.08
EUR/CAD	1.579	-0.0082	10 Year	1.000	1-Jun-27	89.649	2.25	-0.20
GBP/CAD	1.778	-0.0034	30 Year	2.750	1-Dec-48	106.932	2.43	-0.67
CAD/JPY	83.190	0.8090						

US\$ FOREIGN EXCHANGE CROSSES			U.S. BENCHMARKS					
CROSS	SPOT	CHANGE	TERM	COUPON	MATURITY	PRICE	YIELD	\$ CHANGE
EUR/USD	1.230	-0.0016	2 Year	1.875	31-Dec-19	99.324	2.66	-0.05
GBP/USD	1.384	0.0026	5 Year	2.125	31-Aug-22	97.586	2.66	-0.16
USD/JPY	106.870	0.6400	10 Year	2.250	15-Nov-27	94.453	2.91	-0.31
			30 Year	2.750	15-Nov-47	92.047	3.16	-0.70

CANADIAN DOLLAR (PER U.S. DOLLAR)



U.S. 10-YEAR YIELD



DAILY COMMENTARY

A blockbuster U.S. employment number is exerting mild upward pressure on bond yields. Modest wage increases are holding off the bears. Canada produced a decent employment report with the unemployment rate returning to a four-year low. The loonie, which is already improving following the tariff exemption, is adding to those gains.

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	0.055	2 - 5 Year	0.26	0.00																																															
								-0.48	0.006	2 - 10 Year	0.45	0.01																																															
							5 Year	-0.60	0.013	2 - 30 Year	0.63	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%	10 Year	-0.64	0.012	5 - 10 Year	0.19	0.01																																															
							30 Year	-0.73	0.005	10 - 30 Year	0.18	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) \$13.9b	<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>1.59</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	1.59	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	215k 0.1% -2.0%	230k 0.0% 5.6%	Initial Jobless Claims Continuing Claims Challenger Job Cuts	220k 1922k	231k 1870k -4.3%	<table border="1"> <thead> <tr> <th colspan="7">CANADA YIELD CURVE</th> </tr> <tr> <th colspan="7">January 3, 2012 - Today</th> </tr> </thead> <tbody> <tr> <td>Term</td> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> <td>6</td> <td>7</td> <td>8</td> <td>9</td> <td>10</td> </tr> <tr> <td>Yield</td> <td>0.2491</td> <td>0.81</td> <td>0.97</td> <td>0.970</td> <td>1.010</td> <td>1.200</td> <td>1.300</td> <td>1.540</td> <td>1.990</td> <td>2.57</td> </tr> <tr> <td></td> <td></td> <td>← January 3, 2012</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>						CANADA YIELD CURVE							January 3, 2012 - Today							Term	1	2	3	4	5	6	7	8	9	10	Yield	0.2491	0.81	0.97	0.970	1.010	1.200	1.300	1.540	1.990	2.57			← January 3, 2012								
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FRI	Net Chg. Employment Unemployment Rate Capacity Utilization Rate	21.0k 5.9% 85.2%	15k 5.8% 86.0%	Chg. Non-Farm Payrolls Unemployment Rate Avg. Hourly Earnings Avg. Hourly Earnings YoY Wholesale Trade Sales MoM Wholesale Inventories MoM	200k 4.1% 0.2% 2.8% 0.7%	313k 4.1% 0.1% 2.6%																																																					

Source: Bloomberg, Odlum Brown