



CAD\$ FOREIGN EXCHANGE CROSSES			CANADA BENCHMARKS					
CROSS	SPOT	CHANGE	TERM	COUPON	MATURITY	PRICE	YIELD	\$ CHANGE
USD/CAD	1.277	-0.0024	2 Year	1.250	1-Nov-19	99.096	1.88	-0.02
CAD/USD	0.783	0.0015	5 Year	1.000	1-Sep-22	95.08	2.21	-0.09
EUR/CAD	1.531	0.0025	10 Year	1.000	1-Jun-27	88.691	2.40	-0.25
GBP/CAD	1.735	0.0016	30 Year	2.750	1-Dec-48	106.866	2.43	-0.57
CAD/JPY	85.747	0.2500						

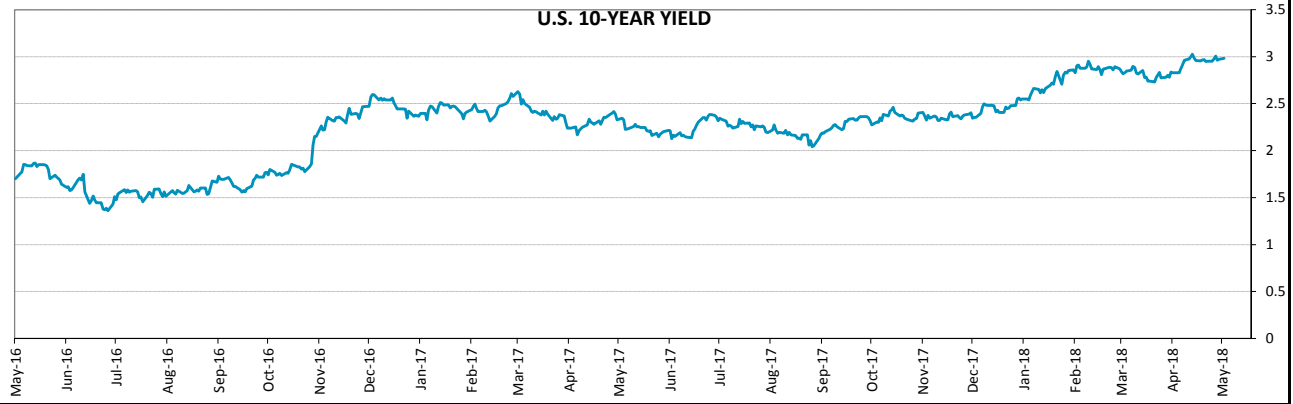
  

US\$ FOREIGN EXCHANGE CROSSES			U.S. BENCHMARKS					
CROSS	SPOT	CHANGE	TERM	COUPON	MATURITY	PRICE	YIELD	\$ CHANGE
EUR/USD	1.199	0.0042	2 Year	1.875	31-Dec-19	99.000	2.84	-0.02
GBP/USD	1.359	0.0044	5 Year	2.125	31-Aug-22	96.930	2.84	-0.05
USD/JPY	109.510	0.1200	10 Year	2.250	15-Nov-27	93.844	3.00	-0.13
			30 Year	2.750	15-Nov-47	92.906	3.12	-0.23

CANADIAN DOLLAR (PER U.S. DOLLAR)



U.S. 10-YEAR YIELD



**DAILY COMMENTARY**

Bonds are weaker this morning as the ten-year tests 3% again.  
Canada will see the latest CPI reading later in the week.  
The Loonie is poised to advance further.

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	Teranet House Price Index Teranet House Price Index y		0.2% 5.6%				3 Month	-0.70	0.056	2 - 5 Year	0.26	0.01	
								-0.57	-0.007	2 - 10 Year	0.43	0.02	
							5 Year	-0.62	-0.010	2 - 30 Year	0.45	0.01	
TUE	Existing Home Sales	1.4%		Empire Mfg. Retail Sales Bus. Inventories NAHB Hsg. Mkt Index Total TIC Flows	15.00 0.30% 0.10% 69.00		10 Year	-0.58	-0.019	5 - 10 Year	0.17	0.01	
							30 Year	-0.69	-0.013	10 - 30 Year	0.02	-0.01	
WED	Mfg Sales MoM	1.00%		MBA Mortgage Applications Housing Starts Housing Starts Building Permits Building Permits MoM Ind`L Production Capacity Utilization	1310k -0.70% 1350k -2.10% 0.6% 78.40%		<b>U.S. RATES</b>			<b>CDN MONEY MARKET</b>		<b>CANADIAN RATES</b>	
							PRIME	4.75	Bankers' Acceptances	PRIME	3.45		
							BANK RATE	3.50	30 Day	BANK RATE	1.25		
							FED FUNDS	1.75	60 Day				
							DISCOUNT	2.25	90 Day				
							LIBOR 3MO						
THU	Int`L Secs Transactions			Initial Jobless Claims Continuing Claims Philly Fed Leading Index	215k 1780k 21.0 0.4%		<b>CANADA YIELD CURVE</b> January 3, 2012 - Today						
FRI	Retail Sales MoM CPI CPI YoY	0.20% 0.3% 1.9%											

Source: Bloomberg, Odlum Brown