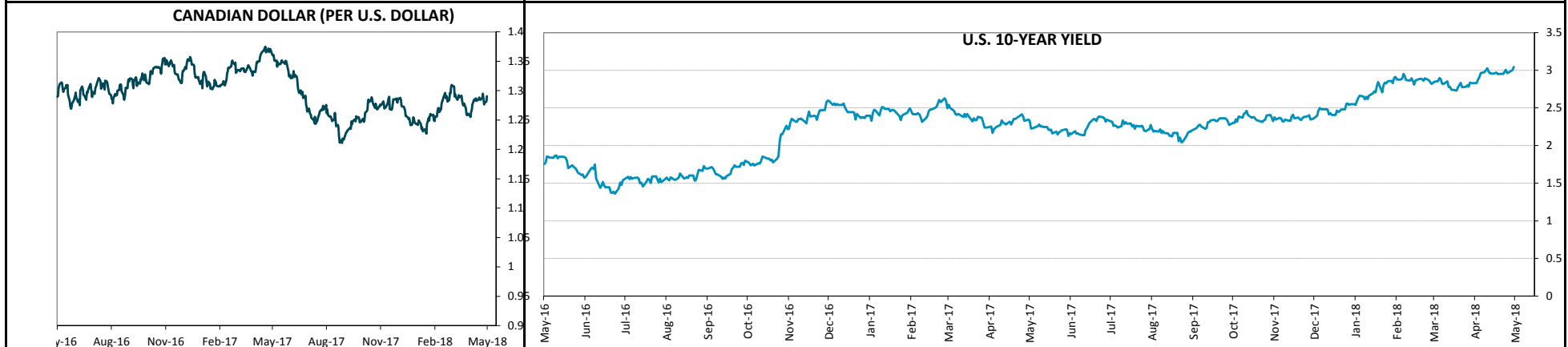




CAD\$ FOREIGN EXCHANGE CROSSES			CANADA BENCHMARKS					
CROSS	SPOT	CHANGE	TERM	COUPON	MATURITY	PRICE	YIELD	\$ CHANGE
USD/CAD	1.291	0.0093	2 Year	1.250	1-Nov-19	99.047	1.92	-0.03
CAD/USD	0.775	-0.0058	5 Year	1.000	1-Sep-22	94.86	2.26	-0.15
EUR/CAD	1.529	0.0006	10 Year	1.000	1-Jun-27	88.193	2.46	-0.38
GBP/CAD	1.740	0.0027	30 Year	2.750	1-Dec-48	105.240	2.50	-0.99
CAD/JPY	85.412	-0.1720						

US\$ FOREIGN EXCHANGE CROSSES			U.S. BENCHMARKS					
CROSS	SPOT	CHANGE	TERM	COUPON	MATURITY	PRICE	YIELD	\$ CHANGE
EUR/USD	1.185	-0.0082	2 Year	1.875	31-Dec-19	98.977	2.88	-0.03
GBP/USD	1.348	-0.0077	5 Year	2.125	31-Aug-22	96.750	2.88	-0.13
USD/JPY	110.240	0.5800	10 Year	2.250	15-Nov-27	93.375	3.06	-0.33
			30 Year	2.750	15-Nov-47	91.938	3.17	-0.66



DAILY COMMENTARY

The selloff in bond prices is picking up steam as retail sales and Empire manufacturing were strong. Yields in Europe are rising also. The U.S. dollar is stronger against all currencies.

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	0.060	2 - 5 Year	0.28	0.02																																															
								-0.55	-0.008	2 - 10 Year	0.46	0.03																																															
							5 Year	-0.60	-0.008	2 - 30 Year	0.49	0.02																																															
TUE	Existing Home Sales	1.4%	-2.90%	Empire Mfg. Retail Sales Bus. Inventories NAHB Hsg. Mkt Index Total TIC Flows	15.00 0.30% 0.10% 69.00	20.10 0.30%	10 Year	-0.57	-0.006	5 - 10 Year	0.18	0.01																																															
							30 Year	-0.67	-0.008	10 - 30 Year	0.03	0.00																																															
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%		<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>4.75</td> <td>Bankers' Acceptances</td> <td></td> <td>PRIME</td> <td>3.45</td> </tr> <tr> <td>BANK RATE</td> <td>3.50</td> <td>30 Day</td> <td>1.64</td> <td>BANK RATE</td> <td>1.25</td> </tr> <tr> <td>FED FUNDS</td> <td>1.75</td> <td>60 Day</td> <td>1.68</td> <td></td> <td></td> </tr> <tr> <td>DISCOUNT</td> <td>2.25</td> <td>90 Day</td> <td>1.75</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	4.75	Bankers' Acceptances		PRIME	3.45	BANK RATE	3.50	30 Day	1.64	BANK RATE	1.25	FED FUNDS	1.75	60 Day	1.68			DISCOUNT	2.25	90 Day	1.75			LIBOR 3MO																			
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THU	Int'L Secs Transactions			Initial Jobless Claims Continuing Claims Philly Fed Leading Index	215k 1780k 21.0 0.4%		<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	Retail Sales MoM CPI CPI YoY	0.20% 0.3% 1.9%																																																									

Source: Bloomberg, Odlum Brown