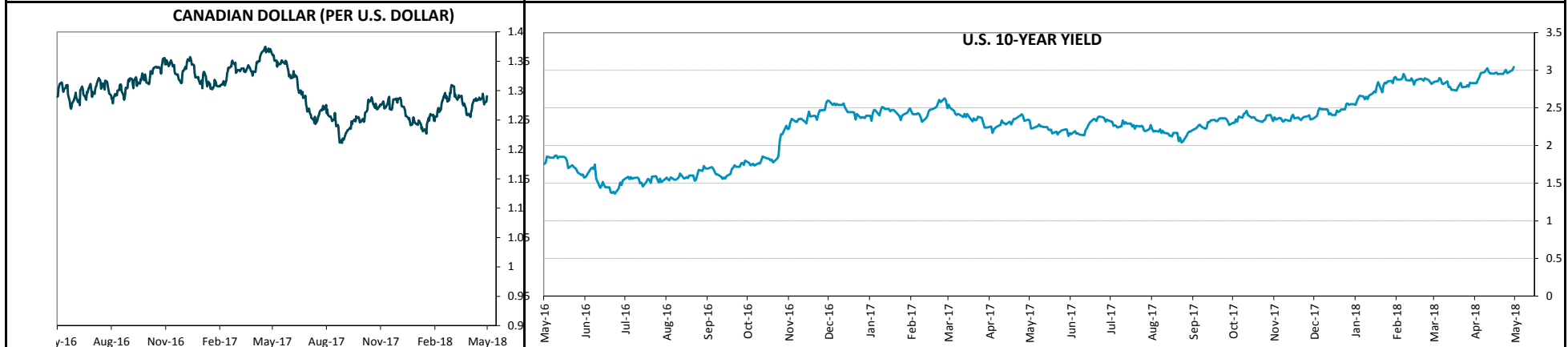




CAD\$ FOREIGN EXCHANGE CROSSES			CANADA BENCHMARKS					
CROSS	SPOT	CHANGE	TERM	COUPON	MATURITY	PRICE	YIELD	\$ CHANGE
USD/CAD	1.291	0.0093	2 Year	1.250	1-Nov-19	99.047	1.92	-0.03
CAD/USD	0.775	-0.0058	5 Year	1.000	1-Sep-22	94.86	2.26	-0.15
EUR/CAD	1.529	0.0006	10 Year	1.000	1-Jun-27	88.193	2.46	-0.38
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			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						
THU	Int'L Secs Transactions			Initial Jobless Claims Continuing Claims Philly Fed Leading Index	215k 1780k 21.0 0.4%		CANADA YIELD CURVE January 3, 2012 - Today						
FRI	Retail Sales MoM CPI CPI YoY	0.20% 0.3% 1.9%											

Source: Bloomberg, Odlum Brown