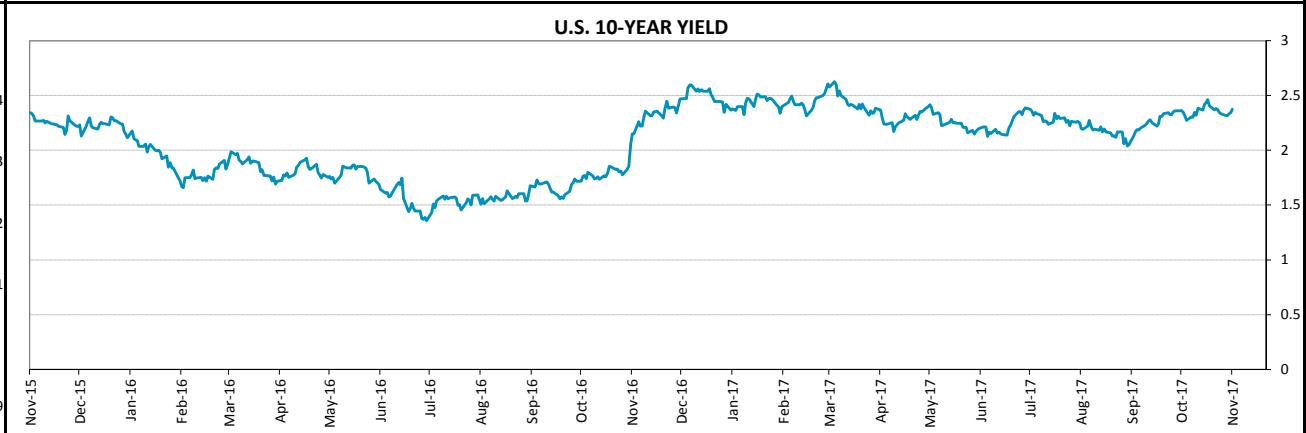
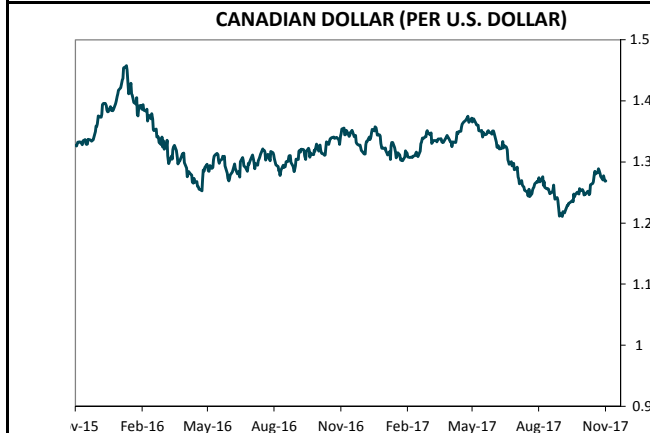




CAD\$ FOREIGN EXCHANGE CROSSES			CANADA BENCHMARKS						
CROSS	SPOT	CHANGE	TERM	COUPON	MATURITY	PRICE	YIELD	\$ CHANGE	
USD/CAD	1.268	0.0000	2 Year	0.750	1-Aug-19	98.848	1.43	-0.02	
CAD/USD	0.789	0.0000	5 Year	1.000	1-Sep-22	96.91	1.68	-0.09	
EUR/CAD	1.480	0.0035	10 Year	1.000	1-Jun-27	91.658	1.96	-0.28	
GBP/CAD	1.676	0.0086	30 Year	2.750	1-Dec-48	109.921	2.30	-0.75	
CAD/JPY	89.308	-0.1610							

US\$ FOREIGN EXCHANGE CROSSES			U.S. BENCHMARKS						
CROSS	SPOT	CHANGE	TERM	COUPON	MATURITY	PRICE	YIELD	\$ CHANGE	
EUR/USD	1.167	0.0027	2 Year	1.250	31-Aug-19	99.301	1.65	-0.03	
GBP/USD	1.321	0.0068	5 Year	1.625	31-Aug-22	98.156	2.03	-0.09	
USD/JPY	113.280	-0.1900	10 Year	2.250	15-Aug-27	98.797	2.39	-0.27	
			30 Year	2.750	15-Aug-47	97.844	2.86	-0.86	



DAILY COMMENTARY

Bond prices ended lower yesterday and are selling off more today. This weakness stems from Europe where strong economic prints are pushing U.K. and German yields higher. Currency markets are mixed with the Loonie trading near recent highs. A disappointing Michigan sentiment number is having little impact on bond prices.

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	Bloomberg Confidence Ivey Purch Mgrs		0.6 63.8				3 Month	-0.38	0.048	2 - 5 Year	0.22	0.01	
								-0.20	0.010	2 - 10 Year	0.51	0.02	
							5 Year	-0.36	0.004	2 - 30 Year	0.84	0.03	
TUE				JOLTS Job openings Consumer Credit	6050.00 \$17.5b	6093.00 20.83b%	10 Year	-0.41	0.003	5 - 10 Year	0.29	0.01	
							30 Year	-0.56	0.011	10 - 30 Year	0.34	0.00	
							U.S. RATES			CDN MONEY MARKET		CANADIAN RATES	
WED	Housing Starts Building Permits	210k 0.10%	223k 3.80%	MBA Mortgage Applications		0.0%	PRIME	4.25	Bankers' Acceptances	PRIME	3.2		
							BANK RATE	3.00	30 Day	1.30	BANK RATE	1.25	
							FED FUNDS	1.25	60 Day	1.35			
							DISCOUNT	1.75	90 Day	1.40			
							LIBOR 3MO						
THU	New House Price Index New House Price Index YoY	0.2% 3.8%	0.2% 3.8%	Initial Jobless Claims Continuing Claims Wholesale Trade Sales	230k 1885k 0.7%	239k 1901k 1.3%	CANADA YIELD CURVE <i>January 3, 2012 - Today</i>						
FRI				Univ. Michigan sentiment	100.8	97.8							

Source: Bloomberg, Odlum Brown