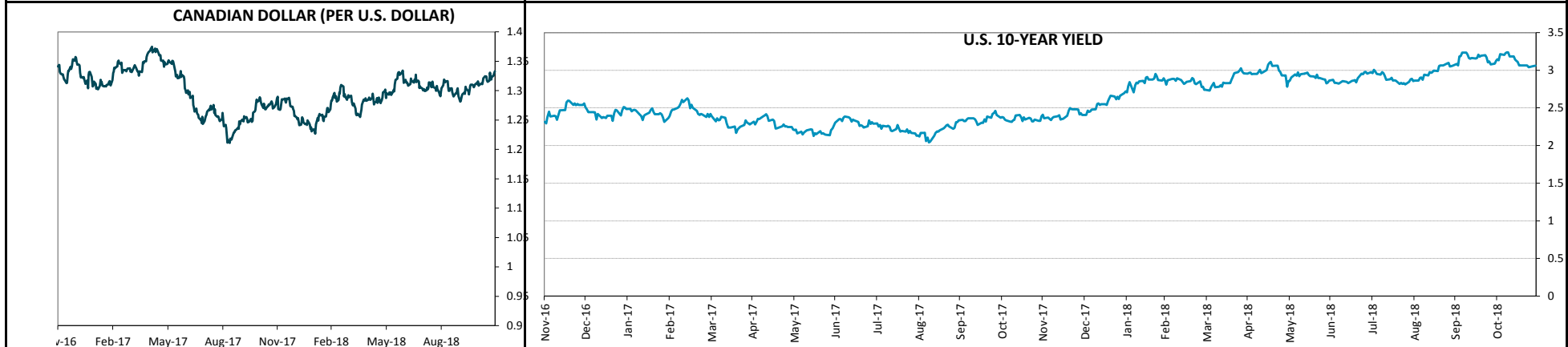




| CAD\$ FOREIGN EXCHANGE CROSSES | | | CANADA BENCHMARKS | | | | | |
|--------------------------------|--------|---------|-------------------|--------|----------|---------|-------|-----------|
| CROSS | SPOT | CHANGE | TERM | COUPON | MATURITY | PRICE | YIELD | \$ CHANGE |
| USD/CAD | 1.333 | 0.0040 | 2 Year | 2.000 | 1-Nov-20 | 99.588 | 2.22 | 0.01 |
| CAD/USD | 0.750 | -0.0024 | 5 Year | 2.000 | 1-Sep-23 | 98.75 | 2.28 | 0.02 |
| EUR/CAD | 1.504 | 0.0031 | 10 Year | 2.000 | 1-Jun-28 | 97.184 | 2.33 | 0.03 |
| GBP/CAD | 1.704 | 0.0099 | 30 Year | 2.750 | 1-Dec-48 | 107.339 | 2.41 | -0.27 |
| CAD/JPY | 85.416 | -0.1760 | | | | | | |

| US\$ FOREIGN EXCHANGE CROSSES | | | U.S. BENCHMARKS | | | | | |
|-------------------------------|---------|---------|-----------------|--------|-----------|---------|-------|-----------|
| CROSS | SPOT | CHANGE | TERM | COUPON | MATURITY | PRICE | YIELD | \$ CHANGE |
| EUR/USD | 1.128 | -0.0011 | 2 Year | 2.875 | 31-Oct-20 | 100.043 | 2.85 | -0.02 |
| GBP/USD | 1.278 | 0.0035 | 5 Year | 2.875 | 31-Oct-23 | 99.875 | 2.90 | -0.05 |
| USD/JPY | 113.900 | 0.1100 | 10 Year | 2.875 | 15-Aug-28 | 98.313 | 3.08 | -0.13 |
| | | | 30 Year | 3.000 | 15-Aug-48 | 93.656 | 3.34 | -0.28 |



DAILY COMMENTARY

Bond prices are unchanged after today's data was neutral, including no revision to the Q3 GDP growth rate. The market is awaiting Fed Chairman Powell's speech and is also looking ahead to the weekend showdown with China and the U.S. The loonie is sagging more.

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 |
| 67 MON | BBG Nanos Conf | | | Chicago Fed Dallas Fed | 0.18 24.5 | 0.24 17.6 | 0 | -0.73 | 0.074 | 2 - 5 Year | 0.06 | 0.00 |
| TUE | | | | FHFA House Price Index Case/Shiller 20 city House P Case/Shiller 20 city House P Cons Board Consumer Conf | 0.4% 0.20% 5.30% 135.70 | 0.20% 0.33% 5.15% 135.70 | 3 Month | -0.62 | 0.013 | 2 - 10 Year | 0.11 | 0.00 |
| WED | | | | MBA Mortgage Applications Trade Balance Wholesale Inventories MoM GDP Ann QoQ Pers. Consumption GDP Price Index Core PCE QoQ New Home Sales New Home Sales MoM Richmond Fed | (\$77.0b) 0.4% 3.5% 3.7% 1.7% 1.60% 4.00% 575k 15.00 | (\$77.2b) 0.7% 3.50% 3.60 1.7% 1.50% -8.90% 544k 14.00 | 10 Year | -0.74 | 0.019 | 2 - 30 Year | 0.19 | 0.02 |
| THU | Current Account | (\$12B) | | Initial Jobless Claims Continuing Claims Personal Income Personal Spending PCE Core MoM PcE Core YoY Pending Home Sales MoM FOMC Minutes | 220k 0.4% 0.40% 0.2% 1.9% 0.5% | | 30 Year | -0.93 | 0.003 | 5 - 10 Year | 0.05 | 0.00 |
| FRI | Qtly GDP Ann Ind'l Product Prices Raw Material Prices GDP MoM GDP YoY | 2.0% -0.5% -5.0% 0.1% 2.3% | | Chicago Purch Managers Inde | 58.5 | | LIBOR 3MO | | | 10 - 30 Year | 0.07 | 0.02 |

| U.S. RATES | CDN MONEY MARKET | CANADIAN RATES |
|------------|----------------------|----------------|
| PRIME | Bankers' Acceptances | PRIME |
| BANK RATE | 30 Day | BANK RATE |
| FED FUNDS | 60 Day | |
| DISCOUNT | 90 Day | |
| | | |

CANADA YIELD CURVE
January 3, 2012 - Today

Source: Bloomberg, Odlum Brown