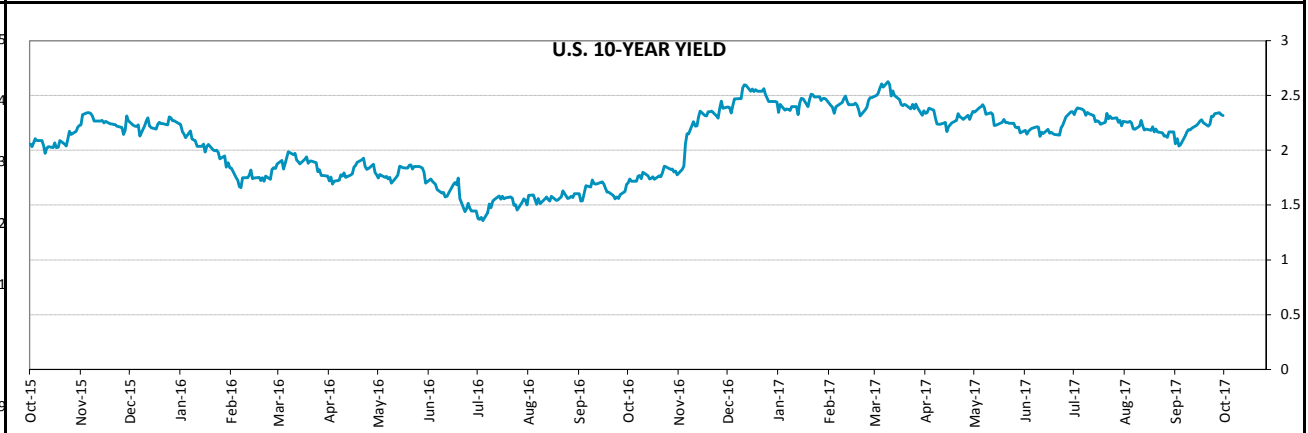
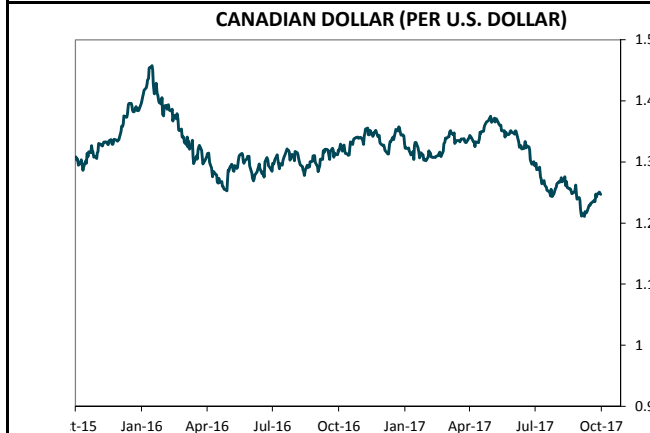




CAD\$ FOREIGN EXCHANGE CROSSES			CANADA BENCHMARKS					
CROSS	SPOT	CHANGE	TERM	COUPON	MATURITY	PRICE	YIELD	\$ CHANGE
USD/CAD	1.249	0.0000	2 Year	0.750	1-Aug-19	98.618	1.52	0.00
CAD/USD	0.801	0.0001	5 Year	1.000	1-Sep-22	96.42	1.77	-0.04
EUR/CAD	1.467	0.0010	10 Year	1.000	1-Jun-27	90.283	2.12	-0.06
GBP/CAD	1.657	0.0034	30 Year	2.750	1-Dec-48	105.414	2.50	-0.17
CAD/JPY	90.311	-0.0620						

US\$ FOREIGN EXCHANGE CROSSES			U.S. BENCHMARKS					
CROSS	SPOT	CHANGE	TERM	COUPON	MATURITY	PRICE	YIELD	\$ CHANGE
EUR/USD	1.175	0.0008	2 Year	1.250	31-Aug-19	99.574	1.48	-0.02
GBP/USD	1.327	0.0029	5 Year	1.625	31-Aug-22	98.594	1.93	-0.07
USD/JPY	112.780	-0.0700	10 Year	2.250	15-Aug-27	99.203	2.34	-0.14
			30 Year	2.750	15-Aug-47	97.281	2.88	-0.44



**DAILY COMMENTARY**

Bonds are unchanged this morning. The ADP report was weaker than consensus, arguing for a possible disappointing nonfarm payroll number on Friday. The U.S. dollar is weaker against all currencies. Bonds are selling off after a strong ISM print.

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 Nanos Confidence Markit Canada Manufacturing		58.3	Markit US Manufacturing	53.00	53.10				2 - 5 Year	0.24	0.00	
			55.0	ISM Manufacturing	58.1	60.8	3 Month	-0.10	0.050	2 - 10 Year	0.60	0.00	
				ISM Prices Paid	63.0	71.5		0.04	0.002	2 - 30 Year	0.98	0.00	
				Construction Spending	0.4%	0.5%	5 Year	-0.16	0.005	5 - 10 Year	0.35	0.00	
TUE				Wards Total Vehicle Sales	17.1m	18.5m	10 Year	-0.22	0.008	10 - 30 Year	0.38	0.00	
				Domestic Vehicle Sales	13.0m	14.3m	30 Year	-0.38	0.012				
WED				MBA Mortgage Applications		-0.4%	U.S. RATES			CDN MONEY MARKET		CANADIAN RATES	
				ADP Employment Change	138k	135k	PRIME	4.25	Bankers' Acceptances	PRIME	3.2		
				Markit US Services PMI	55.1	55.3	BANK RATE	3.00	30 Day	1.30	BANK RATE	1.25	
				Markit US Composite PMI		54.8	FED FUNDS	1.25	60 Day	1.35			
				ISM Non-Manf Composite	55.5	59.8	DISCOUNT	1.75	90 Day	1.41			
							LIBOR 3MO						
THU	Intl Merchandise Trade	(\$2.6B)		Initial Jobless Claims	265k		CANADA YIELD CURVE January 3, 2012 - Today						
				Continuing Claims	1949k								
				Trade Balance	(\$42.7b)								
				Factory Orders	1.0%								
				Durable Goods Orders	1.7%								
				Durables ex Trans									
FRI	Net Change in Employment Unemployment Rate Participation Rate Ivey Purchasing Managers	12.0k 6.2% 56.0		Change in Nonfarm Payrolls	80k								
				Unemployment Rate	4.4%								
				Avg Hourly Earnings MoM	0.3%								
				Avg Hourly Earnings YoY	2.5%								
				Wholesale Trade Sales	0.0%								
				Wholesale Inventories	1.0%								

Source: Bloomberg, Odlum Brown