

Today's Commentary

The S&P/TSX Composite Index fell by 0.85 percent to 12,685.24 as Research in Motion continues to weigh down the index. The S&P 500 closed below 1,500 after falling by 0.26 percent to 1,498.11. Hiring in the US increased slightly less than forecast as payrolls rose by 157,000, with private employers contributing 166,000 new jobs. The unemployment rate increased to 7.9 percent after more people entered the labour market. The underemployment rate, a broader measure that includes part time workers who would like to work full time, remained at 14.4 percent. Revised numbers show that job creation averaged 180,000 a month in 2012. Meanwhile, congress has voted to push back negotiations to May 19th. In Europe, inflation hit a two year low of 2%, while unemployment remains elevated at 11.7 percent.

Congress on Thursday approved a bill allowing the U.S. government to borrow money beyond the \$16.4 trillion debt limit until May 19, at which time Republicans and Democrats will head back to the negotiating table. While Republicans heavily favor cuts to fiscal spending over tax increases, this week's disappointing GDP numbers have highlighted the fact that growth is still heavily dependent on government spending. However, with the budget deficit in excess of \$1 trillion for its fifth consecutive year, the U.S. may be headed for another adjustment to its credit rating, much like the downgrade that sent markets reeling in August 2011. The House and Senate are now required to pass a budget by April 15, or else their pay will be withheld. If a new agreement on the debt ceiling is not reached in May, the Treasury will have access to emergency cash management measures, which would allow the government to pay its bills until sometime in July.

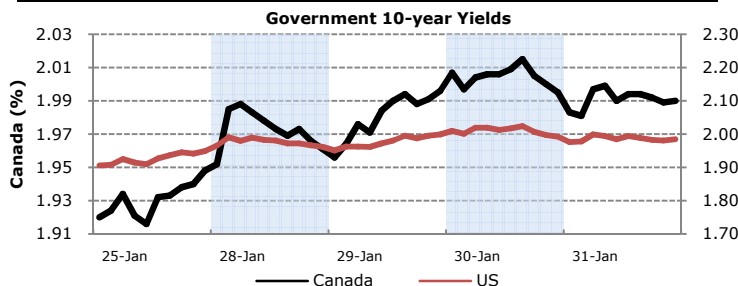
Inflation in the Euro zone is at a 2-year low of 2 percent, while unemployment sits at a record 11.7 percent. Furthermore, the euro is at a 14-month high, which has been a drag on exports. This has led many economists to speculate that the European Central Bank (ECB) will cut interest rates in the second quarter. Rates were kept at 0.75 percent in January, but the governing council will discuss policy again on February 7. Meanwhile, factory output and business morale have been improving for the past three months, suggesting that further stimulus may not be necessary. The situation is complicated by the wide discrepancy in fortunes between the wealthier northern countries and the debt-ridden south, highlighting the challenges of orchestrating monetary policy across 17 countries at the same time.

Today's Major Economic Releases

United States	Period	Survey	Actual	Prior
ISM Manufacturing	31-Jan	50.5	-	50.7
Nonfarm Payroll	31-Jan	180K	157K	196K
Unemployment Rate	31-Jan	7.7%	7.9%	7.8%

Canada	Period	Survey	Actual	Prior
None Scheduled				

Interest Rates



Master of Financial Economics Program



The Master of Financial Economics Program at the University of Toronto is a collaborative program of the Department of Economics and the Rotman School of Management. The program's key objective is to provide a broad understanding of Financial Theory and the Economics framework upon which that theory is based. Students follow a three-term, 16-month program, with 12 one-term courses and a four-month summer internship. For more information on the program and its students please see the website below.

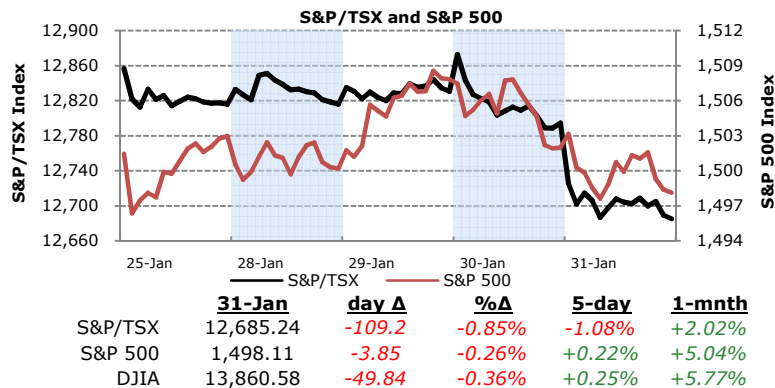
<http://www.economics.utoronto.ca/index.php/index/mfe/>

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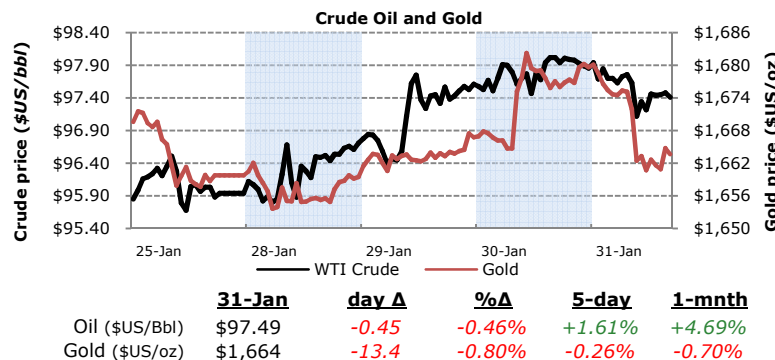


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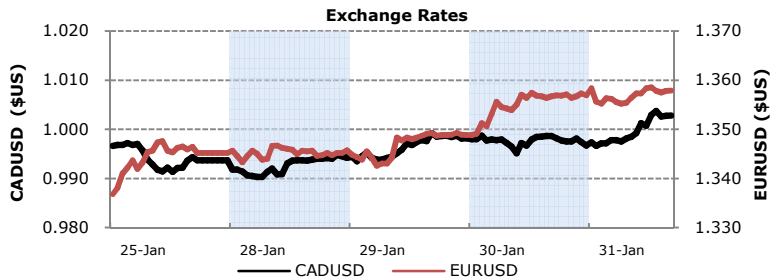
Equities



Commodities



Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	31-Jan	day Δ	Historical levels		
			-5 days	-1 mnth	-1 year
USDCAD	\$0.997	-0.004	1.003	0.985	0.999
EURUSD	\$1.358	+0.001	1.338	1.319	1.313
USDJPY	¥91.71	+0.630	90.330	87.34	78.44

	31-Jan	day Δ	Historical levels		
			-1 mnth	-3 mnths	-1 year
Government 10-year Yields					
Canada	1.99%	-0.005%	1.80%	1.77%	1.90%
United States	1.98%	-0.007%	1.76%	1.71%	1.83%

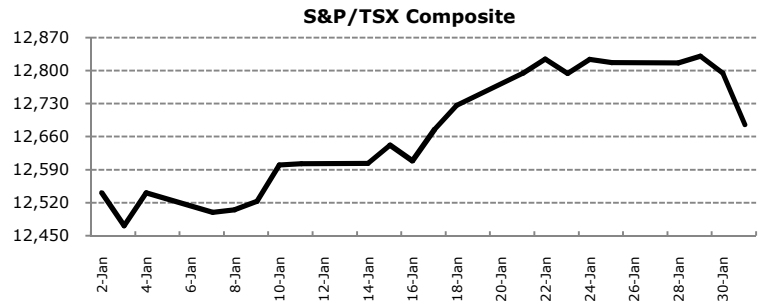
Rotman Finance Association



The purpose of the Rotman Finance Association is to bridge the gap between classroom financial theory and finance-based careers by offering students industry speaker sessions, alumni networking seminars and competitions. For more information please see the website below.

<http://www.rotman.utoronto.ca/financeassociation>

	31-Jan	day Δ	%Δ
S&P/TSX	12,685.24	-109.2	-0.85%
Trailing S&P/TSX TSX 60			
5-day	-1.08%	-1.30%	
1-month	+2.02%	+1.97%	
3-months	+2.11%	+2.27%	
6-months	+8.75%	+9.36%	
12-months	+1.87%	+2.62%	



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	-0.87%	-1.13%	+4.11%	+19.64%
C. Staples	-0.63%	-0.45%	-0.94%	+19.42%
Energy	-1.16%	-1.13%	+2.41%	-9.75%
Financials	-0.68%	-0.38%	+3.14%	+13.16%
Healthcare	-1.00%	+0.70%	+8.33%	+10.86%
Info Tech	-1.36%	-6.90%	+8.75%	+10.92%
Industrials	-0.11%	-0.19%	+7.80%	+15.73%
Materials	-1.45%	-2.89%	-3.61%	-18.67%
Metals & Mining	-0.92%	-2.78%	-0.84%	-15.82%
Telecom	+0.14%	+0.58%	+2.56%	+11.08%
Utilities	-0.79%	-0.32%	+3.92%	+4.31%

TSX Top Performers

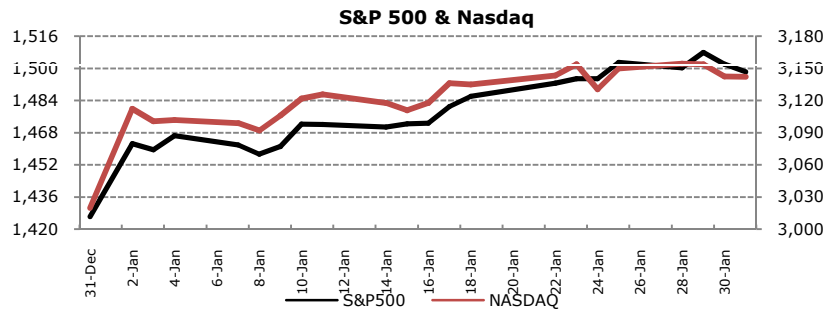
<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Methanex Corp	+4.70%	+2.84%	+13.23%	+30.93%
Whitecap Resources Inc	+4.36%	+2.91%	+11.24%	+3.02%
Agf Management Ltd-Class	+3.88%	+12.06%	+16.38%	-23.40%
Centerra Gold Inc	+3.19%	+2.49%	-2.69%	-51.86%
Niko Resources Ltd	+2.97%	+0.10%	-2.25%	-78.59%

TSX Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Semafo Inc	-7.31%	-11.43%	-18.42%	-58.13%
Research In Motion	-6.78%	-27.42%	+9.49%	-22.59%
Premier Gold Mines Ltd	-5.23%	-12.02%	-18.10%	-41.50%
Atlantic Power Corp	-4.65%	-2.42%	+9.37%	-10.60%
Fortuna Silver Mines Inc	-4.37%	-0.48%	+0.24%	-36.97%

US Indices

<i>Trailing</i>	S&P 500	DJIA	Nasdaq
31-Jan	1,498.11	13,860.58	3,142.13
1-day	-0.26%	-0.36%	-0.01%
5-day	+0.22%	+0.25%	+0.38%
1-month	+5.04%	+5.77%	+4.06%
3-months	+6.09%	+5.83%	+5.54%
6-months	+8.61%	+6.55%	+6.89%
12-months	+14.15%	+9.72%	+11.67%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	-0.52%	-0.50%	+5.64%	+21.62%
C. Staples	-0.14%	+0.88%	+5.64%	+15.55%
Energy	-0.53%	+0.90%	+7.59%	+8.49%
Financials	-0.17%	-0.18%	+5.78%	+23.70%
Healthcare	-0.35%	+0.75%	+7.26%	+19.99%
Info Tech	+0.03%	+0.16%	+1.34%	+6.58%
Industrials	-0.44%	-0.61%	+5.62%	+11.10%
Materials	-0.87%	-1.46%	+3.76%	+4.86%
Telecom	+0.44%	+2.06%	+2.18%	+19.66%
Utilities	+0.23%	+1.41%	+4.72%	+5.54%

DJIA Top Performers

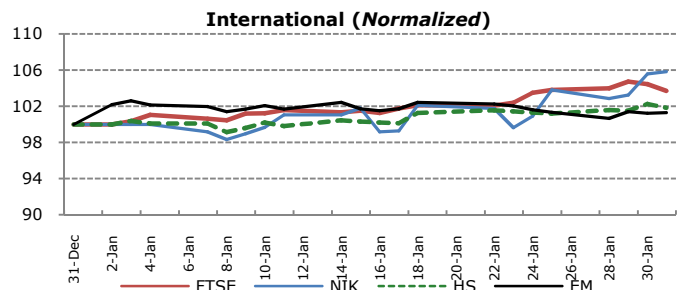
<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Travelers Cos Inc/The	+1.13%	+0.47%	+9.25%	+36.16%
At&T Inc	+0.90%	+3.08%	+4.53%	+23.65%
Hewlett-Packard Co	+0.67%	-2.94%	+15.86%	-40.96%

DJIA Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
United Technologies Corp	-1.72%	-1.52%	+6.78%	+12.02%
Unitedhealth Group Inc	-1.55%	-1.80%	+1.79%	+5.19%
Intel Corp	-1.54%	+0.43%	+1.99%	-18.00%

International Markets

<i>Trailing</i>	FTSE 100	Nikkei	Hang Seng	MSCI EM
Last Close	6,276.88	11,138.66	23,729.53	1,069.01
1-day	-0.73%	+0.22%	-0.39%	+0.08%
5-day	+0.19%	+4.88%	+0.55%	-0.30%
1-month	+6.43%	+7.15%	+4.73%	+1.31%
3-months	+8.55%	+24.76%	+9.65%	+7.40%
6-months	+11.39%	+28.10%	+19.87%	+12.23%
12-months	+10.48%	+26.54%	+16.38%	+4.87%



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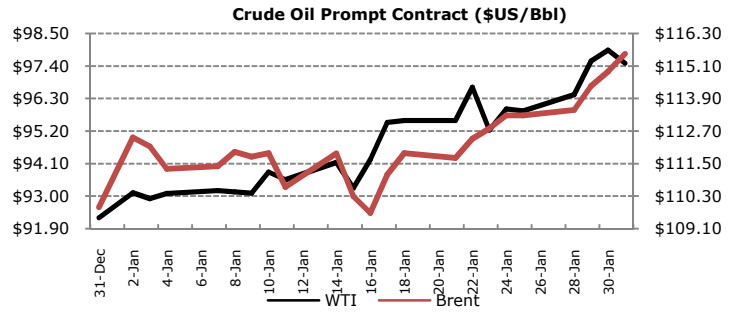
Nymex WTI Crude Oil

(\$US/Bbl)	31-Jan	day Δ	%Δ	5-day	1-mnth
Prompt	\$97.49	-\$0.45	-0.46%	+1.61%	+4.69%
Cal 13	\$98.29	-\$0.17	-0.17%	+1.58%	+9.98%
Cal 14	\$94.65	+\$0.11	+0.11%	+0.82%	+6.23%

(\$US/bbl)	Q2-13	Q3-13	Q4-13	Q1-14	2014
Consensus Forecast	\$94.00	\$95.50	\$98.00	\$100.00	\$98.00
Current Forward	\$98.38	\$98.87	\$97.88	\$96.47	\$94.65

Inventory Levels (as of Jan-25)

(Mbbbls)	Current	Week Δ	Last Yr	5 Yr. Avg
Crude Oil	369,062	+5,947	337,426	319,411
Motor Gas	232,301	-956	214,389	200,481
Distillates	130,623	-2,315	171,756	140,851

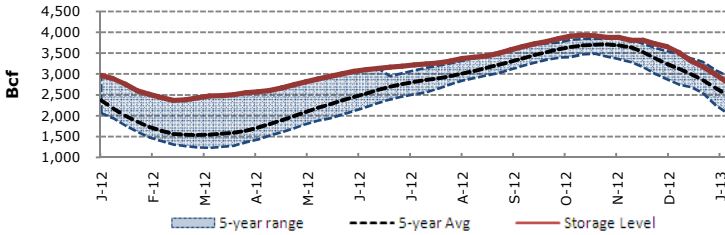


(\$US/Bbl)	31-Jan	day Δ	%Δ	5-day	1-mnth
Prompt	\$115.55	+\$0.65	+0.56%	+2.00%	+2.74%

Nymex Natural Gas

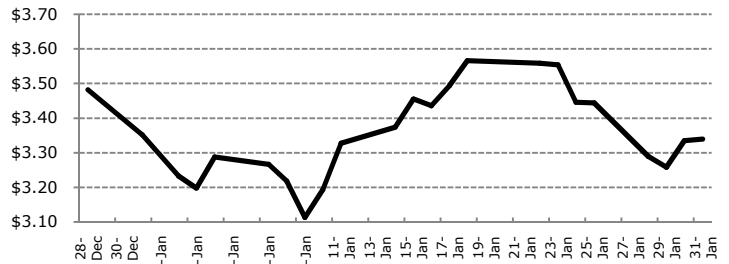
(\$US/MMbtu)	31-Jan	day Δ	%Δ	5-day	1-mnth
Prompt	\$3.34	+\$0.00	+0.12%	-3.11%	-0.36%
Apr13-Oct13	\$3.54	+\$0.01	+0.28%	-2.36%	-0.43%
Nov13-Mar14	\$3.97	+\$0.01	+0.25%	-1.74%	+0.72%
Apr14-Oct14	\$3.99	+\$0.01	+0.14%	-1.25%	+1.76%
Nov14-Mar15	\$4.34	+\$0.00	+0.11%	-0.25%	+5.56%

Inventory Levels (as of Jan-25)	Current	Week Δ	Last Yr	5 Yr. Avg
US Storage (Bcf)	2,802	-194	2,966	2,498



(\$US/Bbl)	31-Jan	day Δ	%Δ	5-day	1-mnth
Prompt	\$115.55	+\$0.65	+0.56%	+2.00%	+2.74%

Nat Gas Prompt (\$US/MMbtu)

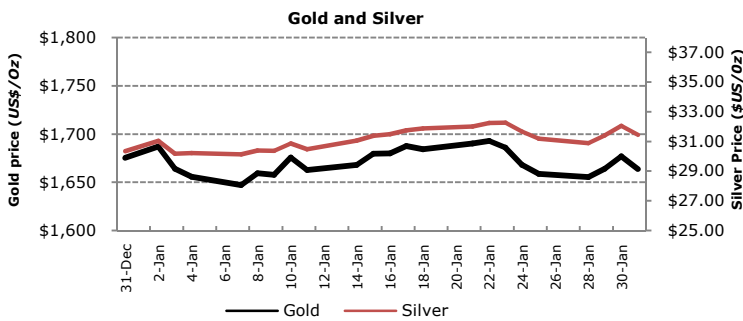


Alberta Natural Gas

(\$CAD/GJ)	31-Jan	day Δ	%Δ
AECO Mar-13	\$2.85	-\$0.03	-1.0%

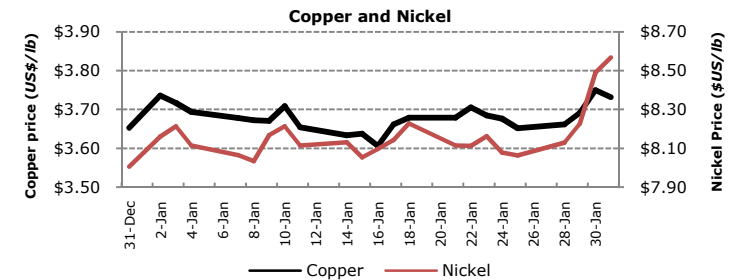
Precious Metals

\$US/oz	31-Jan	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,663.65	-\$13.40	-0.8%	-0.3%	-0.7%	-0.9%
Silver	\$31.45	-\$0.59	-1.8%	-0.6%	+3.6%	+1.8%
Platinum	\$1,678	-\$8.25	-0.5%	-0.2%	+9.0%	+8.7%



Industrial Metals

\$US/lb	31-Jan	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.73	-\$0.02	-0.5%	+1.5%	+2.2%	+7.2%
Nickel	\$8.57	+\$0.08	+0.9%	+6.0%	+7.0%	+11.9%
Zinc	\$1.05	+\$0.01	+0.9%	+3.7%	+4.7%	+14.5%
Aluminum	\$0.94	+\$0.01	+1.1%	+2.2%	+1.1%	+8.0%
Uranium	\$43.75	+\$0.00	0.0%	+0.2%	+0.6%	+6.7%



Agriculture & Other

	31-Jan	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$7.41	+\$0.00	+0.0%	+2.2%	+6.1%
Wheat (\$US/bu)	\$7.80	-\$0.08	-1.0%	+1.4%	+0.2%
Soybeans (\$US/bu)	\$14.69	-\$0.10	-0.7%	+2.3%	+4.2%
Rough Rice (\$US/cwt)	\$15.51	+\$0.11	+0.7%	+1.4%	+2.2%
Sugar #11 (¢US/lb)	¢18.78	¢0.07	+0.4%	+1.6%	-3.7%
Lean Hogs (¢US/lb)	¢89.35	¢0.10	+0.1%	-0.4%	+0.7%
Live Cattle (¢US/lb)	¢132.80	¢0.13	-0.1%	+1.9%	-2.6%
Cotton No.2 (\$US/lb)	\$0.83	-\$0.00	-0.0%	+0.1%	+10.4%
Lumber (\$US/Mbft)	\$352.70	+\$10.00	+2.9%	-2.2%	-6.0%

Commodity ETFs

	31-Jan	day Δ	%Δ	5-day	1-mnth
\$CAD					
HBP Crude Oil U	\$4.90	-\$0.04	-0.8%	+3.2%	+8.6%
HBP Nat Gas U	\$11.48	+\$0.00	+0.0%	-8.0%	+4.4%
HBP Comex Gold	\$16.55	-\$0.13	-0.8%	-0.5%	-1.5%
\$USD					
US Crude Oil	\$35.28	-\$0.21	-0.6%	1.50%	+6.8%
US Nat Gas	\$18.76	-\$0.01	-0.1%	-3.94%	-3.6%
PSDB Agriculture	\$27.91	+\$0.02	+0.1%	1.05%	-0.5%
PSDB Base Metals	\$19.45	-\$0.06	-0.3%	1.67%	+2.3%

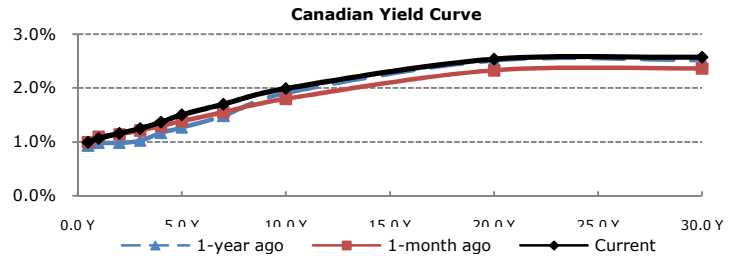
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Interest Rates

Canadian yield curve

	31-Jan	day Δ	-1 mnth	-3 mnths	-1 year
3-mnth	0.93%	-	0.92%	0.99%	0.89%
6-mnth	0.99%	-	1.00%	1.02%	0.93%
12-mnth	1.06%	-0.01%	1.10%	1.07%	0.98%
2-year	1.16%	-0.01%	1.14%	1.07%	0.98%
5-year	1.50%	-0.00%	1.38%	1.32%	1.27%
10-year	1.99%	-0.01%	1.80%	1.77%	1.90%
20-year	2.53%	-0.00%	2.33%	2.32%	2.51%
30-year	2.57%	-0.00%	2.37%	2.36%	2.52%

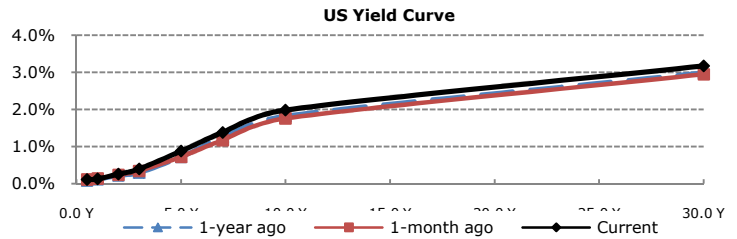
Historical Levels



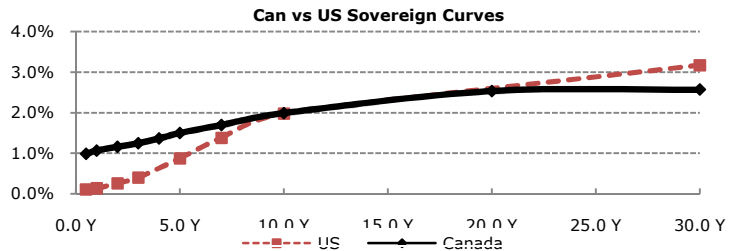
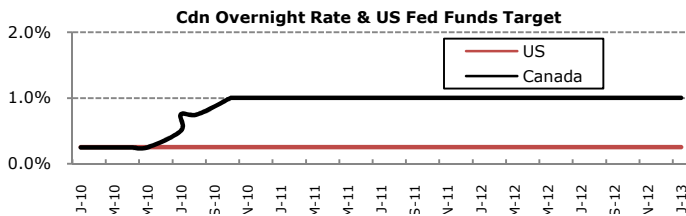
US yield curve

	31-Jan	day Δ	-1 mnth	-3 mnths	-1 year
3-mnth	0.07%	+0.01%	0.04%	0.09%	0.06%
6-mnth	0.11%	+0.01%	0.11%	0.15%	0.09%
12-mnth	0.13%	-	0.14%	0.17%	0.12%
2-year	0.26%	-0.00%	0.25%	0.28%	0.22%
5-year	0.88%	+0.00%	0.72%	0.72%	0.72%
10-year	1.98%	-0.01%	1.76%	1.71%	1.83%
30-year	3.17%	-0.01%	2.95%	2.91%	2.99%

Historical Levels



	Current	Prior	Next Meeting	Survey
Cdn Overnight	1.00%	1.00%	6-Mar-13	1.00%
US Fed Funds	0.25%	0.25%	20-Mar-13	0.25%



Foreign Exchange

(USDCAD implies 1-USD to CAD)

Spot	31-Jan	day Δ	-1 mnth	-3 mnths	-1 year
USDCAD	\$0.997	-0.004	0.985	0.997	0.999
EURUSD	\$1.358	+0.001	1.319	1.294	1.313
USDJPY	¥91.71	+0.630	87.34	80.12	78.44
GBPUSD	\$1.586	+0.006	1.626	1.613	1.569
AUDUSD	\$1.043	+0.001	1.050	1.040	1.069

Spot	31-Jan	day Δ	-1 mnth	-3 mnths	-1 year
CADJPY	¥91.97	+1.009	88.67	80.41	78.51
CADAUD	\$0.962	+0.003	0.967	0.965	0.936
GBPCAD	£1.581	-0.001	1.601	1.607	1.568
EURJPY	¥124.53	+0.960	115.17	103.71	103.02
EURAUD	\$1.30	+0.000	1.26	1.24	1.23

Economic Releases

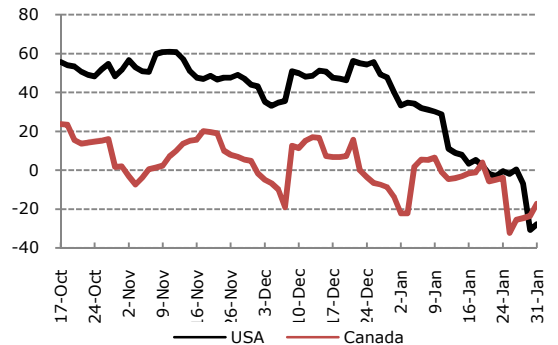
United States

		Period	Survey	Actual	Prior
Mon, Jan 28	Durable Goods Orders	31-Dec	2%	4.6%	0.7%
Tue, Jan 29	Consumer Confidence	31-Jan	64	58.6	65.1
Wed, Jan 30	ADP Employment Change	31-Jan	165%	192%	215%
Wed, Jan 30	GDP QoQ (Annualized)	31-Dec	1.1%	-0.1%	0%
Thu, Jan 31	Personal Income	31-Dec	0.8%	2.6%	0.6%
Thu, Jan 31	Continuing Claims	19-Jan	3171K	3197K	3197K
Thu, Jan 31	Initial Jobless Claims	26-Jan	350K	368K	330K
Fri, Feb 01	ISM Manufacturing	31-Jan	50.5	-	50.7
Fri, Feb 01	Nonfarm Payroll	31-Jan	180K	157K	196K
Fri, Feb 01	Unemployment Rate	31-Jan	7.70%	7.90%	7.8%

Canada

		Period	Survey	Actual	Prior
Thu, Jan 31	GDP MoM	30-Nov	0.2%	0.3%	0.1%

Citigroup Economic Surprise Index



Economics

Canada	Q1-12	Q2-12	Q3-12	Q4-12	2012E
Real GDP	1.74%	1.65%	0.57%	NA	2.00%
CPI	2.33%	1.57%	1.23%	0.93%	1.60%
Unemployment	7.20%	7.20%	7.30%	7.10%	7.30%

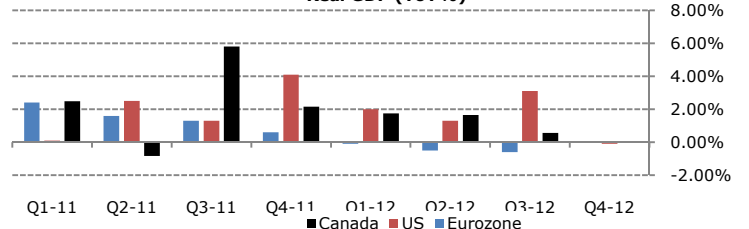
US

Real GDP	2.00%	1.30%	3.10%	-0.10%	2.30%
CPI	2.83%	1.90%	1.70%	1.90%	2.10%
Unemployment	8.20%	8.20%	7.80%	7.80%	8.10%

China

Real GDP	8.10%	7.60%	7.40%	7.90%	7.70%
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Real GDP (YoY%)



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