

Today's Commentary

The S&P/TSX composite traded at one-week highs on Friday, closing at 12,801. The index was bolstered by the financial and energy sectors, with Manulife gaining about 2 percent on heavy volume after analysts upgraded their price targets. Strong import and export numbers from China helped to offset reports that Canada lost 21,900 jobs in January, as the bullish data from China pushed the energy sector up 0.5 percent and financials up 0.6 percent. Technology stocks lead U.S. markets higher, with the Nasdaq gaining 0.91 percent and the S&P 500 up 0.57 percent. This puts the Nasdaq at a 12-year high, and the S&P 500 at a 5-year high. Meanwhile, in Argentina, the government is using unconventional measures to fight rising inflation and concerns about currency devaluation are likely to be addressed in a G20 meeting this week.

Argentina's price-control czar, Guillermo Moreno, has demanded that supermarkets and certain other retailers stop advertising prices in the country's top newspapers, in a desperate attempt to lower inflation (or at least hide it from public attention). Retail executives are also reporting that they have been asked to freeze prices for the next two months. Economists estimate inflation in Argentina is at about 26 percent, although President Cristina Kirchner vehemently denies this, as her party prepares for an important mid-term election in October. The Buenos Aires Newspaper Editors Association believes that Kirchner wants control of Argentina's media industry, stating that the government is implementing policies that "attempt to weaken media that don't depend on government money... It's an attempt to keep people in the dark about inflation." Officials at Argentina's leading newspaper, Clarin, claim that they have been targeted since 2007 when they called into question the accuracy of government issued inflation numbers.

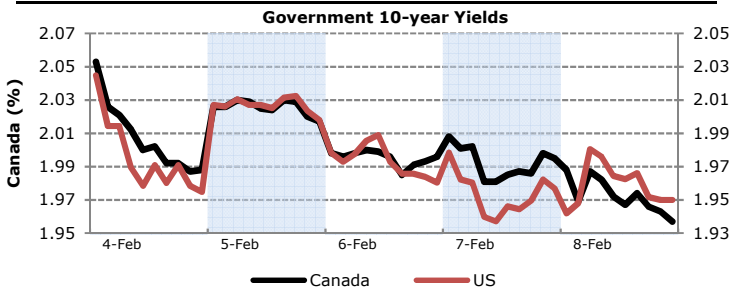
Financial policy makers in Europe and the United States are discussing issuing a joint statement expressing concern over deliberate currency devaluations. Brazilian Finance Minister Guido Mantega coined the phrase "currency wars" to describe the effects on competitiveness by easy monetary policy in developed nations over two years ago. Shinzo Abe's election in Japan this past December, and the subsequent pressure on the Bank of Japan to double the inflation target along with explicit statements from government officials concerning the weakening of the Yen, has brought renewed attention to the issue. Last week the Euro fell against both the US Dollar and Japanese Yen after European Central Bank President Mario Draghi voiced concerns about the strength in Europe's common currency and raised speculation that the exchange rate would be a factor in policy decisions. The issue is likely to be raised in a meeting of G20 finance ministers later this week in Moscow.

Today's Major Economic Releases

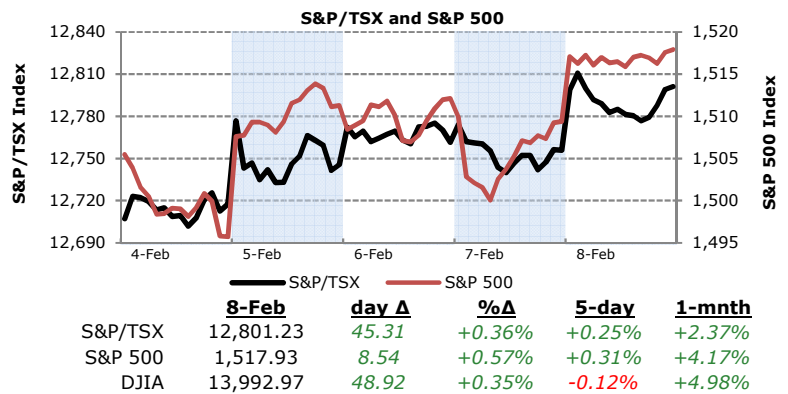
United States	Period	Survey	Actual	Prior
None Scheduled				

Canada	Period	Survey	Actual	Prior
None Scheduled				

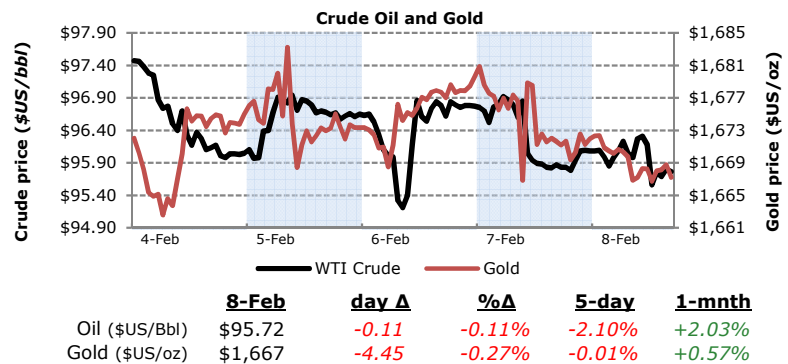
Interest Rates



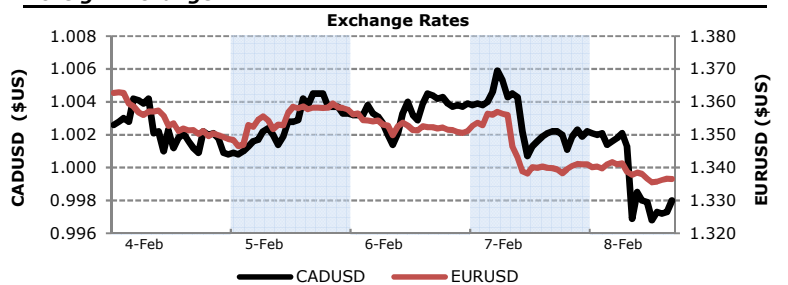
Equities



Commodities



Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	8-Feb	day Δ	Historical levels		
			-5 days	-1 mnth	-1 year
USDCAD	\$1.002	+0.004	0.997	0.983	1.000
EURUSD	\$1.337	-0.003	1.364	1.327	1.325
USDJPY	¥92.68	-0.950	92.770	88.78	80.29

Government 10-year Yields

	8-Feb	day Δ	Historical levels		
			-1 mnth	-3 mnths	-1 year
Canada	1.96%	-0.038%	1.91%	1.72%	2.09%
United States	1.95%	-0.007%	1.86%	1.61%	2.04%

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/>

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.

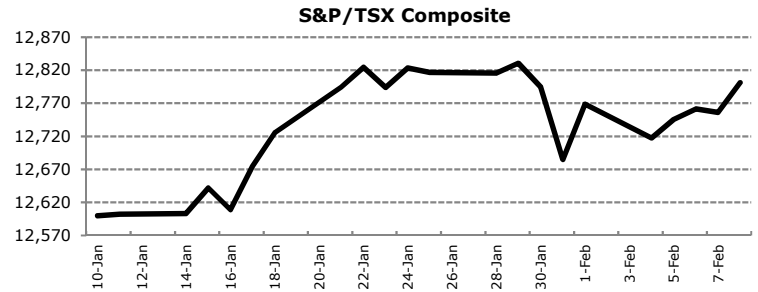
<http://www.rotman.utoronto.ca/financeassociation>

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	8-Feb	day Δ	%Δ
S&P/TSX	12,801.23	45.31	+0.36%
Trailing S&P/TSX			
5-day		+0.25%	+0.27%
1-month		+2.37%	+2.54%
3-months		+5.01%	+5.42%
6-months		+8.66%	+9.34%
12-months		+2.24%	+3.01%



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+0.45%	-0.29%	+4.05%	+19.23%
C. Staples	+0.36%	+3.03%	+3.63%	+25.54%
Energy	+0.50%	-0.69%	+1.56%	-9.80%
Financials	+0.56%	+0.28%	+2.69%	+11.71%
Healthcare	-0.62%	+0.41%	+5.27%	+11.85%
Info Tech	+0.46%	+7.83%	+15.23%	+16.32%
Industrials	+0.55%	+0.85%	+6.33%	+14.05%
Materials	+0.09%	-0.07%	-1.47%	-16.12%
Metals & Mining	-0.97%	-3.78%	-5.50%	-17.62%
Telecom	-0.35%	-0.52%	+2.69%	+10.89%
Utilities	-1.04%	-0.92%	+1.12%	+0.98%

TSX Top Performers

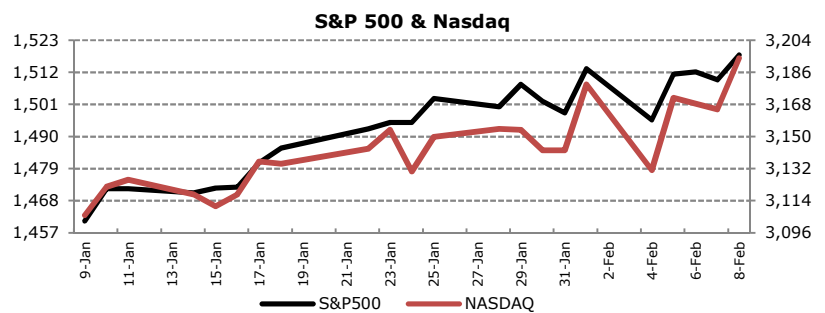
	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Petrobank Energy & Resour		+6.52%	+8.89%	-16.24%	-22.63%
Transglobe Energy Corp		+4.66%	+5.75%	+3.49%	-10.24%
Pason Systems Inc		+3.83%	+1.53%	+0.68%	+33.01%
Kirkland Lake Gold Inc		+3.64%	+11.60%	+9.63%	-62.60%
Capstone Mining Corp		+3.16%	+1.95%	+1.95%	-21.62%

TSX Worst Performers

	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Just Energy Group Inc		-13.39%	-14.36%	-16.96%	-33.83%
Teck Resources Ltd-Cls B		-3.40%	-10.05%	-8.07%	-18.41%
B2Gold Corp		-3.27%	-7.55%	-1.93%	-5.84%
Catamaran Corp		-2.65%	-3.25%	+0.78%	+67.71%
Research In Motion		-2.37%	+26.90%	+40.15%	+4.16%

US Indices

	S&P 500	DJIA	Nasdaq
Trailing			
8-Feb	1,517.93	13,992.97	3,193.87
1-day	+0.57%	+0.35%	+0.91%
5-day	+0.31%	-0.12%	+0.46%
1-month	+4.17%	+4.98%	+3.30%
3-months	+10.19%	+9.22%	+10.30%
6-months	+8.25%	+6.20%	+6.06%
12-months	+12.44%	+8.61%	+9.53%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+0.78%	+0.56%	+4.57%	+19.75%
C. Staples	-0.05%	+0.85%	+5.54%	+15.74%
Energy	+0.83%	+0.10%	+6.25%	+5.51%
Financials	+0.36%	-0.04%	+3.69%	+19.34%
Healthcare	+0.69%	+0.31%	+5.54%	+20.34%
Info Tech	+1.04%	+0.65%	+1.81%	+4.72%
Industrials	+0.34%	+0.23%	+5.08%	+9.58%
Materials	+0.61%	-0.30%	+1.82%	+4.37%
Telecom	+0.03%	-0.37%	+2.34%	+19.20%
Utilities	-0.01%	-0.09%	+3.78%	+5.05%

DJIA Top Performers

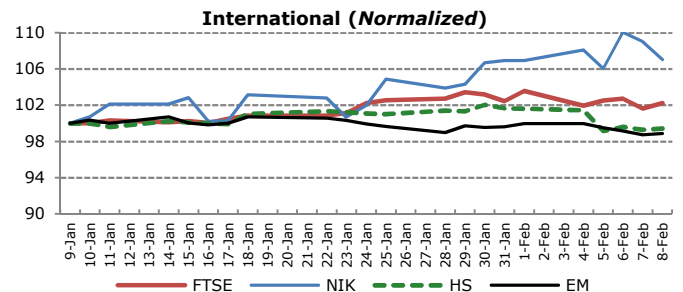
	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Hewlett-Packard Co		+2.62%	+2.49%	+9.62%	-42.05%
Unitedhealth Group Inc		+1.21%	+3.53%	+12.33%	+8.82%
Home Depot Inc		+1.06%	-0.43%	+5.99%	+48.02%

DJIA Worst Performers

	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Boeing Co/The		-1.12%	+2.26%	+3.28%	+0.87%
Bank Of America Corp		-0.68%	+0.43%	-1.84%	+43.77%
American Express Co		-0.55%	+3.15%	+2.66%	+18.14%

International Markets

	FTSE 100	Nikkei	Hang Seng	MSCI EM
Trailing				
Last Close	6,263.93	11,153.16	23,215.16	1,060.87
1-day	+0.57%	-1.80%	+0.16%	+0.12%
5-day	-1.31%	+0.13%	-2.14%	-1.11%
1-month	+3.47%	+6.14%	+0.45%	-0.84%
3-months	+8.45%	+26.21%	+7.64%	+6.59%
6-months	+7.15%	+25.58%	+15.70%	+9.30%
12-months	+6.60%	+23.71%	+10.45%	+0.02%



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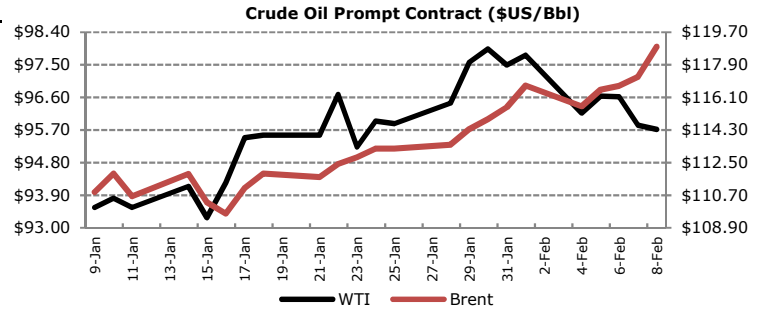
Nymex WTI Crude Oil

(\$US/Bbl)	8-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$95.72	-\$0.11	-0.11%	-2.10%	+2.03%
Cal 13	\$97.24	-\$0.01	-0.01%	-1.44%	+5.02%
Cal 14	\$95.03	-\$0.01	-0.01%	+0.00%	+3.56%

(\$US/bbl)	Q2-13	Q3-13	Q4-13	Q1-14	2014
Consensus Forecast	\$94.50	\$96.75	\$98.14	\$99.00	\$98.00
Current Forward	\$96.81	\$97.81	\$97.59	\$96.63	\$95.03

Inventory Levels (as of Feb-01)

(MMbbls)	Current	Week Δ	Last Yr	5 Yr. Avg
Crude Oil	371,685	+2,623	337,426	319,411
Motor Gas	234,039	+1,738	214,389	200,481
Distillates	129,581	-1,042	171,756	140,851

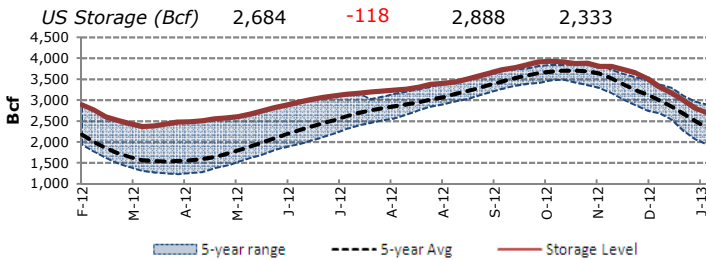


(\$US/Bbl)	8-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$118.90	+\$1.66	+1.40%	+1.83%	+6.27%

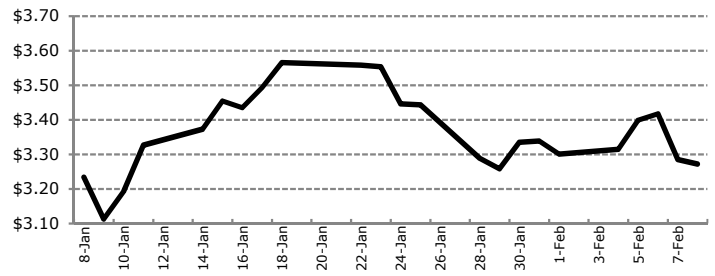
Nymex Natural Gas

(\$US/MMbtu)	8-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$3.27	-\$0.01	-0.40%	-0.88%	+5.11%
Apr13-Oct13	\$3.49	-\$0.00	-0.12%	-0.23%	-2.44%
Nov13-Mar14	\$3.93	-\$0.00	-0.10%	-0.12%	-1.50%
Apr14-Oct14	\$3.96	+\$0.00	+0.04%	+0.03%	-0.99%
Nov14-Mar15	\$4.31	+\$0.00	+0.06%	+0.06%	+2.95%

Inventory Levels (as of Feb-01)



Nat Gas Prompt (\$US/MMbtu)



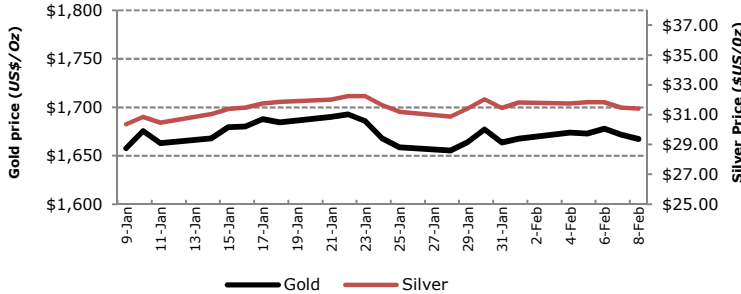
Alberta Natural Gas

(\$CAD/GJ)	8-Feb	day Δ	%Δ
AECO Mar-13	\$2.84	+\$0.03	+1.1%

Precious Metals

\$US/oz	8-Feb	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,667.20	-\$4.45	-0.3%	-0.0%	+0.6%	-3.7%
Silver	\$31.41	-\$0.06	-0.2%	-1.3%	+3.4%	-3.6%
Platinum	\$1,716	-\$3.75	-0.2%	+1.9%	+7.3%	+10.3%

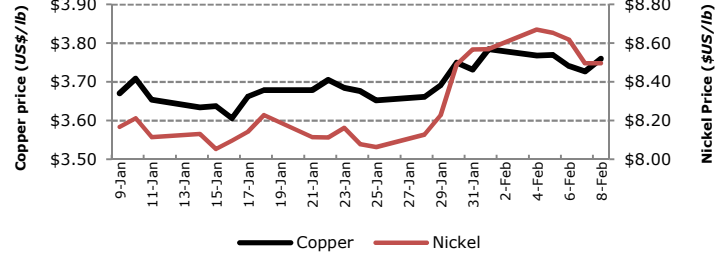
Gold and Silver



Industrial Metals

\$US/lb	8-Feb	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.76	+\$0.03	+0.9%	-0.7%	+2.4%	+9.1%
Nickel	\$8.50	+\$0.00	0.0%	-0.8%	+4.0%	+14.0%
Zinc	\$1.06	+\$0.01	+0.9%	+1.2%	+7.1%	+14.6%
Aluminum	\$0.94	+\$0.00	0.0%	+1.1%	0.0%	+9.3%
Uranium	\$43.40	+\$0.00	0.0%	-1.1%	+3.3%	+5.2%

Copper and Nickel



Agriculture & Other

	8-Feb	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$7.09	-\$0.02	-0.2%	-3.7%	+2.1%
Wheat (\$US/bu)	\$7.56	+\$0.00	+0.0%	-1.1%	+1.4%
Soybeans (\$US/bu)	\$14.53	-\$0.34	-2.3%	-1.5%	+4.8%
Rough Rice (\$US/cwt)	\$16.35	+\$0.22	+1.4%	+5.0%	+7.3%
Sugar #11 (¢US/lb)	¢18.14	¢0.02	-0.1%	-4.0%	-3.1%
Lean Hogs (¢US/lb)	¢86.13	¢0.40	-0.5%	-3.0%	-1.4%
Live Cattle (¢US/lb)	¢130.13	¢1.40	-1.1%	-1.6%	-3.9%
Cotton No.2 (\$US/lb)	\$0.83	+\$0.01	+1.6%	-0.4%	+10.5%
Lumber (\$US/Mbft)	\$387.80	+\$5.00	+1.3%	+6.9%	+3.4%

Commodity ETFs

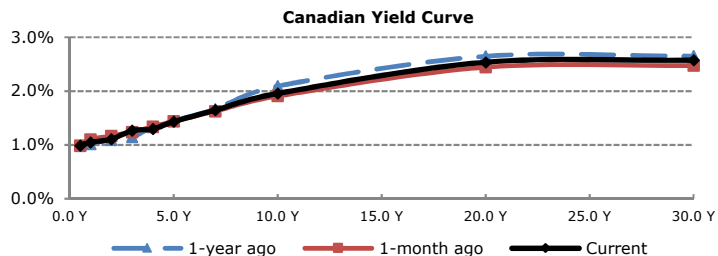
	8-Feb	day Δ	%Δ	5-day	1-mnth
\$CAD					
HBP Crude Oil U	\$4.73	+\$0.00	+0.0%	-3.7%	+2.8%
HBP Nat Gas U	\$10.94	-\$0.25	-2.2%	-2.4%	+2.6%
HBP Comex Gold	\$16.60	-\$0.12	-0.7%	-0.1%	-0.5%
\$USD					
US Crude Oil	\$34.70	+\$0.02	+0.1%	-1.84%	+2.2%
US Nat Gas	\$18.36	-\$0.18	-1.0%	-0.97%	+1.0%
PSDB Agriculture	\$27.00	-\$0.19	-0.7%	-2.70%	-2.3%
PSDB Base Metals	\$19.71	+\$0.26	+1.3%	0.15%	+3.5%

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Interest Rates

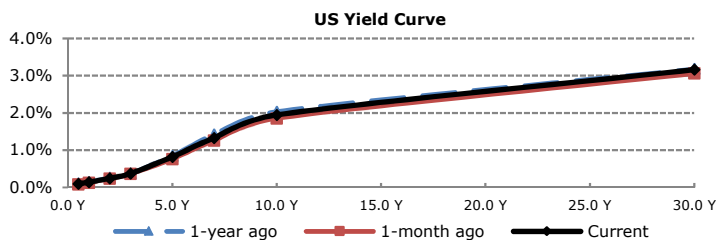
Canadian yield curve

	8-Feb	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.94%	-	0.91%	0.98%	0.94%
6-mnth	0.99%	-	0.99%	1.02%	0.98%
12-mnth	1.05%	-0.02%	1.10%	1.07%	1.02%
2-year	1.11%	-0.04%	1.17%	1.08%	1.09%
5-year	1.43%	-0.05%	1.44%	1.30%	1.45%
10-year	1.96%	-0.04%	1.91%	1.72%	2.09%
20-year	2.54%	-0.03%	2.44%	2.27%	2.65%
30-year	2.57%	-0.03%	2.48%	2.31%	2.65%

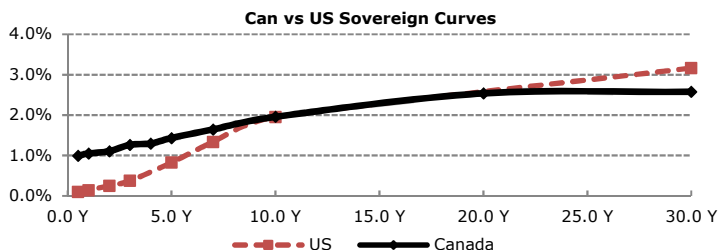
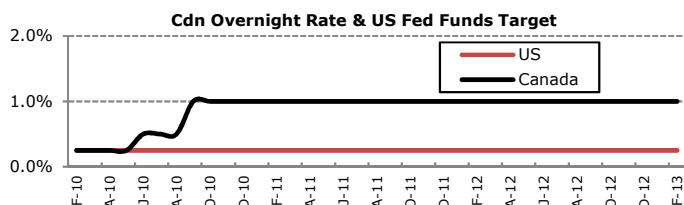


US yield curve

	8-Feb	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.07%	-	0.06%	0.09%	0.09%
6-mnth	0.10%	-0.01%	0.09%	0.14%	0.11%
12-mnth	0.14%	-	0.13%	0.17%	0.14%
2-year	0.25%	-	0.24%	0.26%	0.26%
5-year	0.83%	-	0.77%	0.64%	0.85%
10-year	1.95%	-0.01%	1.86%	1.61%	2.04%
30-year	3.16%	-0.01%	3.06%	2.74%	3.18%



	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)

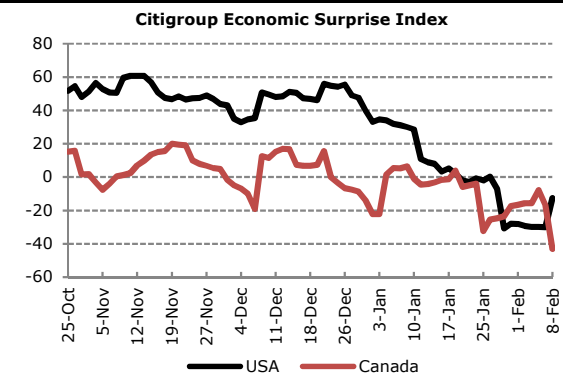
Spot	8-Feb	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
USDCAD	\$1.002	+0.004	0.983	1.002	1.000
EURUSD	\$1.337	-0.003	1.327	1.271	1.325
USDJPY	¥92.68	-0.950	88.78	79.49	80.29
GBPUSD	\$1.580	+0.008	1.617	1.590	1.567
AUDUSD	\$1.032	+0.004	1.060	1.039	1.064

Spot	8-Feb	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
CADJPY	¥92.50	-1.328	90.29	79.35	80.31
CADAUD	\$0.967	-0.008	0.960	0.961	0.940
GBPCAD	£1.583	+0.015	1.590	1.592	1.567
EURJPY	¥123.87	-1.570	117.81	101.05	106.38
EURAUD	\$1.30	-0.008	1.25	1.22	1.25

Economic Releases

United States

		Period	Survey	Actual	Prior
Wed, Feb 13	Advance Retail Sales	31-Jan	0.1%	--	0.5%
Thu, Feb 14	Continuing Claims	2-Feb	3205K	--	3224K
Thu, Feb 14	Initial Jobless Claims	9-Feb	360%	--	366%
Fri, Feb 15	Industrial Production	31-Jan	0.2K	--	0.3K



Canada

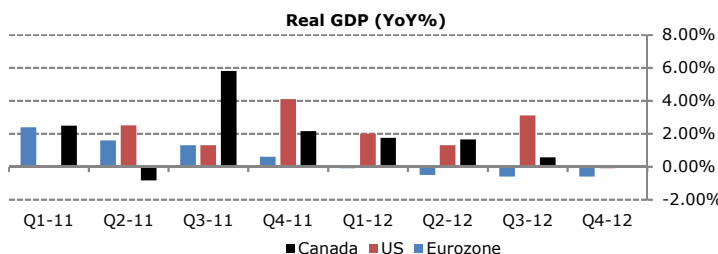
		Period	Survey	Actual	Prior
Fri, Feb 15	Manufacturing Sales (MoM)	31-Dec	-0.8%	--	1.7%

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	Q1-12	Q2-12	Q3-12	Q4-12	2012E
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	Q1-12	Q2-12	Q3-12	Q4-12	2012E
Real GDP	8.10%	7.60%	7.40%	7.90%	7.80%



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