

Today's Commentary

Trading was slow on Monday, as Asian markets were closed for holidays. The S&P 500 and Nasdaq each shed 0.06 percent, while the S&P/TSX composite fell 0.41 percent. Investors seem to be waiting for news to send markets higher, after six weeks of gains have sent the S&P 500 up 8 percent. Gold fell to one-month lows on Monday, dragging the TSX's gold mining group down 2.2 percent. The financial and industrial sectors were up slightly, with Manulife gaining 3 percent. Meanwhile, China has surpassed the U.S. as the world's largest trading nation, with a sum total of imports and exports reaching \$3.87 trillion in 2012, ahead of \$3.82 trillion in America. However, America's \$15 trillion GDP is still almost double China's.

As alluded to yesterday, the Group of Seven (G7) countries issued a statement this morning to curb fears about currency wars. The statement read "We reaffirm that our fiscal and monetary policies have been and will remain oriented towards meeting our respective domestic objectives using domestic instruments, and that we will not target exchange rates". The Japanese yen weakened after the statement as no indication was given that other developed nations would interfere with Japan's aggressive easing to kick off growth in its economy. Japanese Finance Minister Taro Aso admitted on Friday that the yen had fallen farther than intended since November. At the same time, the euro has appreciated substantially since last year, as banks have been paying down debt owed to the European Central Bank and thereby tightened the ECB's balance sheet, while the U.S. Federal Reserve and Bank of Japan continue to depress their own currencies. The countries said they would "consult closely" on any actions in the currency markets.

North Korea tested a nuclear weapon today, previous tests had been carried out in 2006 and 2009. An official statement from Pyongyang confirmed the test after South Korea reported an "artificial earthquake" in the northeastern part of the Korean peninsula. The administration there had indicated it would conduct a test after the UN Security Council reaffirmed sanctions following the launch of a satellite in December. Barack Obama said the test was "a highly provocative act" and Shinzo Abe stated that Japan would "respond with every effective measure, including unilateral sanctions". There is evidence that Chinese officials are also increasingly annoyed with the conduct of their ally and China's stance towards North Korea will be keenly watched as the leadership of Xi Jinping formulate their policies.

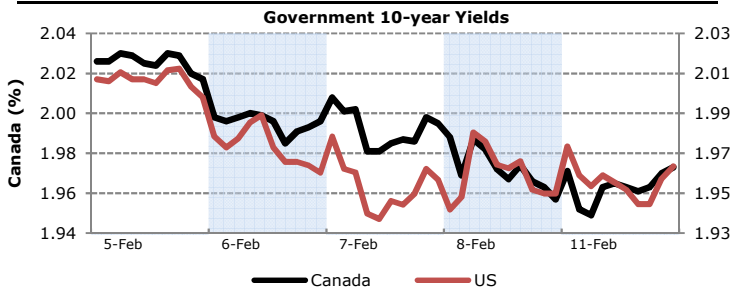
The Daily Roll is written by MFE Candidates Dipanker Koirala and Jan Varsava in partnership with the Rotman Finance Association. Please email dailyroll@economics.utoronto.ca to subscribe/unsubscribe.

Today's Major Economic Releases

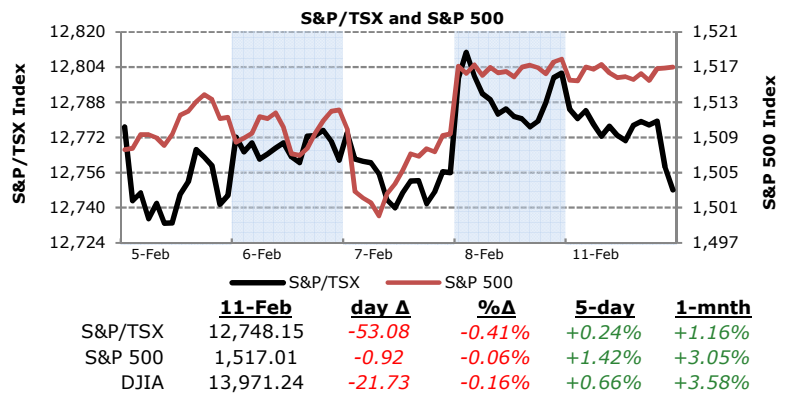
United States	Period	Survey	Actual	Prior
None Scheduled				

Canada	Period	Survey	Actual	Prior
None Scheduled				

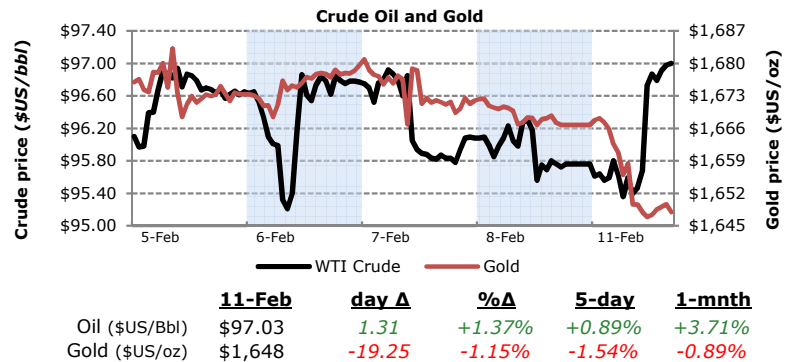
Interest Rates



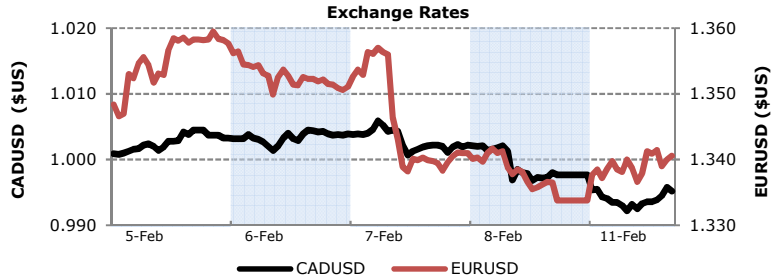
Equities



Commodities



Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	11-Feb	day Δ	Historical levels		
			-5 days	-1 mnth	-1 year
USDCAD	\$1.005	+0.003	0.999	0.985	0.998
EURUSD	\$1.341	+0.004	1.351	1.334	1.337
USDJPY	¥94.32	+1.640	92.380	89.18	80.00

Government 10-year Yields

	11-Feb	day Δ	Historical levels		
			-1 mnth	-3 mnths	-1 year
Canada	1.97%	0.016%	1.94%	1.70%	2.05%
United States	1.96%	0.014%	1.87%	1.59%	1.99%

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>

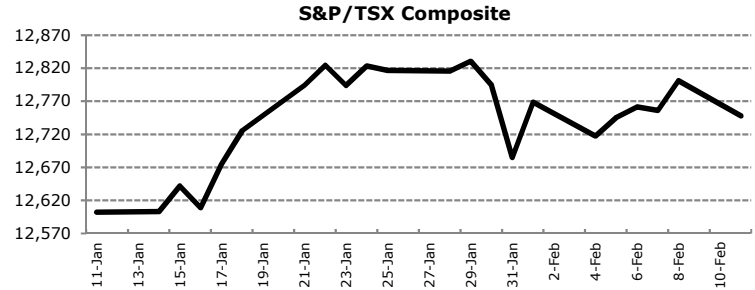
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	11-Feb	day Δ	%Δ
S&P/TSX	12,748.15	-53.08	-0.41%

	Trailing S&P/TSX	TSX 60
5-day	+0.24%	+0.25%
1-month	+1.16%	+1.26%
3-months	+4.52%	+4.88%
6-months	+7.21%	+7.83%
12-months	+2.90%	+3.99%



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	-0.03%	+0.54%	+3.32%	+19.01%
C. Staples	-0.45%	+2.77%	+2.43%	+26.51%
Energy	-0.51%	-0.67%	+0.59%	-8.92%
Financials	+0.09%	+0.98%	+2.76%	+12.28%
Healthcare	-0.12%	+0.79%	+4.82%	+13.20%
Info Tech	-1.01%	+3.38%	+8.58%	+16.03%
Industrials	+0.64%	+2.51%	+4.65%	+16.40%
Materials	-1.66%	-1.53%	-4.67%	-16.23%
Metals & Mining	-0.77%	-3.28%	-6.96%	-17.19%
Telecom	+0.15%	+0.19%	+3.27%	+13.47%
Utilities	-0.62%	-1.30%	-0.56%	+0.83%

TSX Top Performers

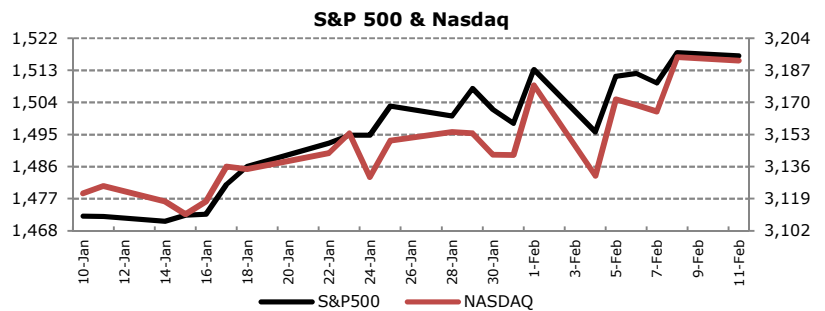
<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Alacer Gold Corp	+3.18%	+2.48%	+1.11%	-50.65%
Westport Innovations Inc	+2.97%	+10.55%	+6.59%	-30.35%
Manulife Financial Corp	+2.96%	+6.26%	+7.76%	+30.04%
Toromont Industries Ltd	+2.44%	+0.81%	+2.20%	-2.96%
Fortuna Silver Mines Inc	+1.98%	+10.48%	+11.54%	-27.39%

TSX Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Semafo Inc	-7.02%	-8.62%	-20.18%	-58.27%
Pretium Resources Inc	-6.24%	-7.59%	-18.76%	-37.30%
Torex Gold Resources Inc	-6.15%	-7.11%	-13.68%	-10.73%
Banro Corporation	-5.34%	+0.38%	-11.33%	-43.64%
Gabriel Resources Ltd	-4.94%	-2.34%	+2.04%	-57.63%

US Indices

	S&P 500	DJIA	Nasdaq
Trailing			
11-Feb	1,517.01	13,971.24	3,192.01
1-day	-0.06%	-0.16%	-0.06%
5-day	+1.42%	+0.66%	+1.94%
1-month	+3.05%	+3.58%	+2.12%
3-months	+9.94%	+9.02%	+9.88%
6-months	+7.91%	+5.78%	+5.67%
12-months	+12.99%	+9.14%	+9.92%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	-0.30%	+1.48%	+3.36%	+19.74%
C. Staples	-0.10%	+1.66%	+4.17%	+15.38%
Energy	-0.56%	+0.49%	+4.65%	+6.09%
Financials	+0.36%	+1.64%	+3.20%	+21.45%
Healthcare	-0.20%	+1.27%	+3.66%	+20.98%
Info Tech	+0.11%	+2.40%	+0.86%	+4.53%
Industrials	-0.03%	+1.18%	+3.84%	+10.41%
Materials	-0.21%	+0.50%	+0.74%	+5.86%
Telecom	-0.09%	+0.03%	+2.09%	+19.88%
Utilities	+0.19%	+0.76%	+3.66%	+5.64%

DJIA Top Performers

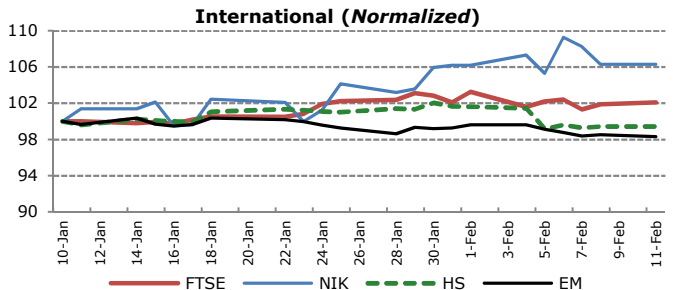
<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Microsoft Corp	+1.13%	+1.57%	+3.84%	-8.66%
Pfizer Inc	+0.97%	-0.11%	+2.34%	+28.93%
Bank Of America Corp	+0.85%	+3.31%	+1.98%	+46.96%

DJIA Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Unitedhealth Group Inc	-1.07%	+2.46%	+8.14%	+7.13%
Home Depot Inc	-0.94%	+0.03%	+4.21%	+46.44%
Boeing Co/The	-0.90%	+0.88%	+0.94%	+1.23%

International Markets

	FTSE 100	Nikkei	Hang Seng	MSCI EM
Trailing				
Last Close	6,277.06	11,153.16	23,215.16	1,058.75
1-day	+0.21%	+0.00%	+0.16%	-0.20%
5-day	+0.48%	-0.95%	-2.14%	-1.30%
1-month	+2.54%	+3.25%	+0.45%	-1.33%
3-months	+8.79%	+27.35%	+7.64%	+6.84%
6-months	+7.35%	+25.44%	+15.70%	+8.12%
12-months	+7.26%	+24.66%	+10.45%	+1.59%



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Nymex WTI Crude Oil

(\$US/Bbl)	11-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$97.03	+\$1.31	+1.37%	+0.89%	+3.71%
Cal 13	\$98.32	+\$1.08	+1.11%	+1.12%	+6.32%
Cal 14	\$95.47	+\$0.45	+0.47%	+1.36%	+4.20%

(\$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	\$98.08	\$98.91	\$98.40	\$97.23	\$95.47

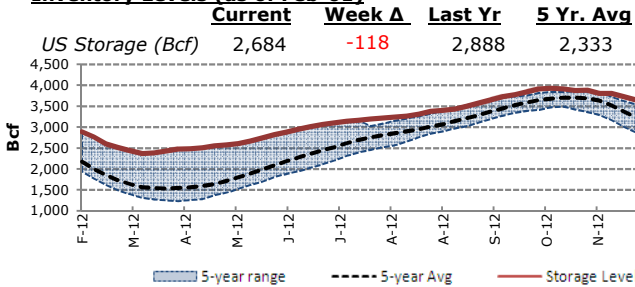
Inventory Levels (as of Feb-01)

(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

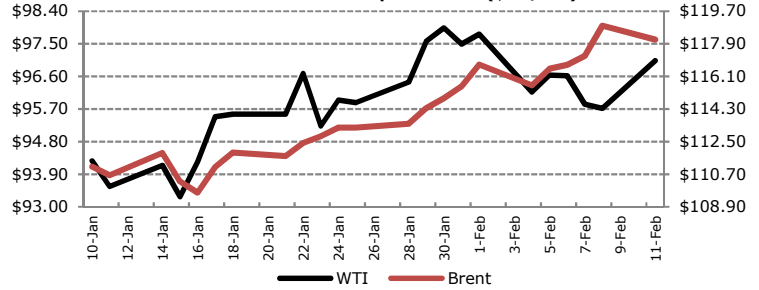
Nymex Natural Gas

(\$US/MMbtu)	11-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$3.28	+\$0.01	+0.21%	-1.09%	+2.69%
Apr13-Oct13	\$3.50	+\$0.01	+0.22%	-0.61%	-3.79%
Nov13-Mar14	\$3.94	+\$0.02	+0.39%	-0.42%	-2.49%
Apr14-Oct14	\$3.98	+\$0.02	+0.57%	+0.00%	-1.71%
Nov14-Mar15	\$4.34	+\$0.02	+0.57%	+0.16%	-0.57%

Inventory Levels (as of Feb-01)



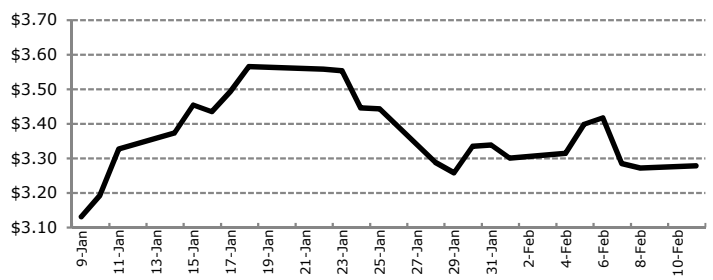
Crude Oil Prompt Contract (\$US/Bbl)



UK Brent Crude Oil

(\$US/Bbl)	11-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$118.13	-\$0.77	-0.65%	+2.19%	+6.77%

Nat Gas Prompt (\$US/MMbtu)



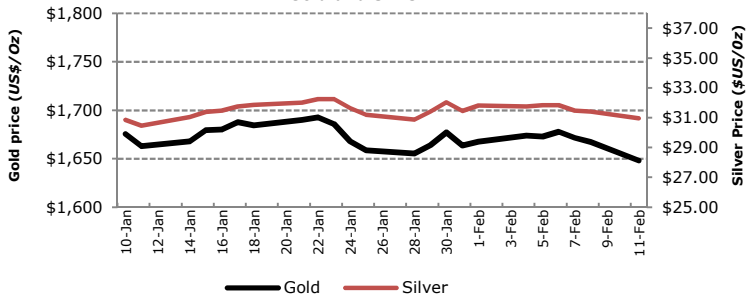
Alberta Natural Gas

(\$CAD/GJ)	11-Feb	day Δ	%Δ
AECO Mar-13	\$2.86	+\$0.02	+0.7%

Precious Metals

\$US/oz	11-Feb	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,647.95	-\$19.25	-1.2%	-1.5%	-0.9%	-4.5%
Silver	\$30.95	-\$0.47	-1.5%	-2.5%	+1.6%	-4.8%
Platinum	\$1,690	-\$26.00	-1.5%	-0.5%	+3.5%	+6.7%

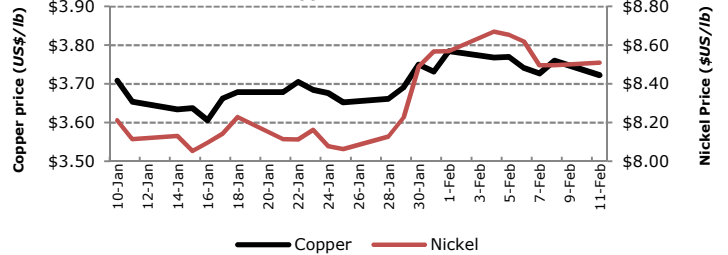
Gold and Silver



Industrial Metals

\$US/lb	11-Feb	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.72	-\$0.04	-1.0%	-1.2%	+1.9%	+7.2%
Nickel	\$8.51	+\$0.01	+0.2%	-1.8%	+4.9%	+14.1%
Zinc	\$1.07	+\$0.01	+1.2%	+1.9%	+8.0%	+14.2%
Aluminum	\$0.94	+\$0.00	0.0%	-1.1%	0.0%	+6.8%
Uranium	\$43.40	+\$0.00	0.0%	-0.6%	+3.3%	+4.8%

Copper and Nickel



Agriculture & Other

	11-Feb	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$7.02	-\$0.07	-1.0%	-4.4%	-0.9%
Wheat (\$US/bu)	\$7.42	-\$0.15	-2.0%	-2.8%	-1.8%
Soybeans (\$US/bu)	\$14.17	-\$0.20	-1.4%	-4.3%	+3.9%
Rough Rice (\$US/cwt)	\$15.85	-\$0.50	-3.1%	-0.4%	+4.1%
Sugar #11 (¢US/lb)	¢18.46	+¢0.26	+1.4%	-1.7%	-4.6%
Lean Hogs (¢US/lb)	¢86.38	+¢0.25	+0.3%	-2.2%	-0.9%
Live Cattle (¢US/lb)	¢130.35	+¢0.22	+0.2%	-1.5%	-3.1%
Cotton No. 2 (\$US/lb)	\$0.83	+\$0.00	+0.3%	+1.4%	+9.7%
Lumber (\$US/Mbft)	\$384.30	-\$3.50	-0.9%	+4.1%	+0.9%

Commodity ETFs

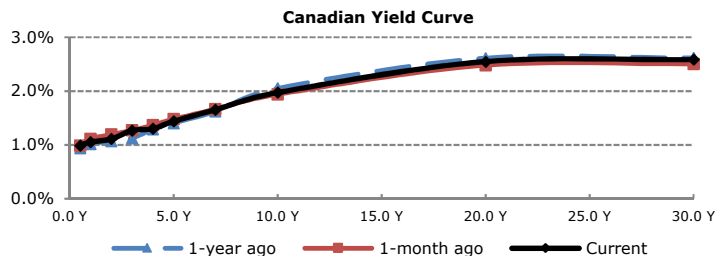
	11-Feb	day Δ	%Δ	5-day	1-mnth
\$CAD					
HBP Crude Oil U	\$4.84	+\$0.11	+2.3%	+1.9%	+6.4%
HBP Nat Gas U	\$11.11	+\$0.17	+1.6%	-2.3%	-3.8%
HBP Comex Gold	\$16.39	-\$0.21	-1.3%	-1.6%	-0.8%
\$USD					
US Crude Oil	\$35.12	+\$0.42	+1.2%	0.98%	+2.8%
US Nat Gas	\$18.45	+\$0.09	+0.5%	-1.18%	+2.8%
PSDB Agriculture	\$26.84	-\$0.16	-0.6%	-3.14%	-3.1%
PSDB Base Metals	\$19.53	-\$0.18	-0.9%	-0.46%	+1.4%

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Interest Rates

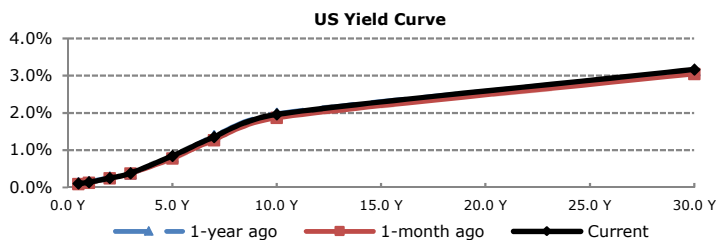
Canadian yield curve

	11-Feb	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.94%	-	0.92%	0.97%	0.89%
6-mnth	0.99%	-	0.99%	1.01%	0.94%
12-mnth	1.05%	+0.00%	1.12%	1.06%	1.02%
2-year	1.11%	+0.00%	1.19%	1.08%	1.07%
5-year	1.44%	+0.01%	1.48%	1.29%	1.41%
10-year	1.97%	+0.02%	1.94%	1.70%	2.05%
20-year	2.55%	+0.01%	2.48%	2.25%	2.61%
30-year	2.59%	+0.01%	2.51%	2.29%	2.62%

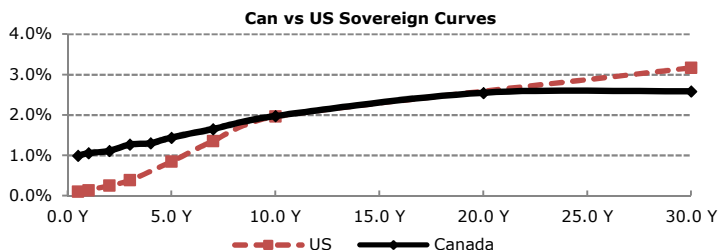
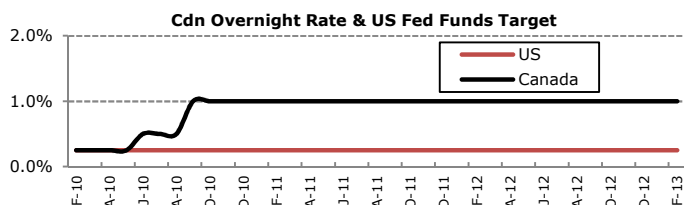


US yield curve

	11-Feb	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.07%	-	0.07%	0.09%	0.08%
6-mnth	0.11%	+0.01%	0.10%	0.14%	0.12%
12-mnth	0.14%	-	0.13%	0.17%	0.15%
2-year	0.25%	+0.00%	0.25%	0.25%	0.27%
5-year	0.85%	+0.02%	0.78%	0.62%	0.82%
10-year	1.96%	+0.01%	1.87%	1.59%	1.99%
30-year	3.17%	+0.01%	3.05%	2.72%	3.14%



	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	11-Feb	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
USDCAD	\$1.005	+0.003	0.985	1.000	0.998
EURUSD	\$1.341	+0.004	1.334	1.271	1.337
USDJPY	¥94.32	+1.640	89.18	79.50	80.00
GBPUSD	\$1.566	-0.014	1.613	1.588	1.575
AUDUSD	\$1.026	-0.006	1.054	1.043	1.072

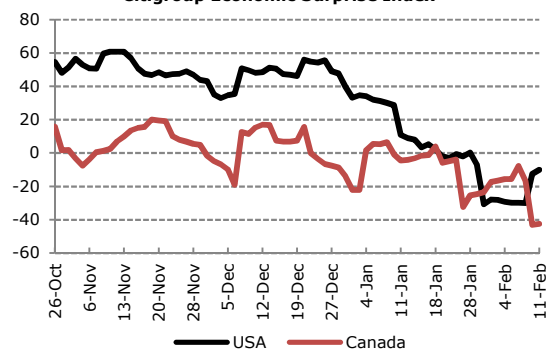
Spot	11-Feb	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
CADJPY	¥93.88	+1.377	90.56	79.51	80.20
CADAUD	\$0.970	+0.003	0.964	0.959	0.935
GBPUSD	£1.574	-0.010	1.589	1.588	1.571
EURJPY	¥126.45	+2.580	119.01	101.03	106.98
EURAUD	\$1.31	+0.012	1.27	1.22	1.25

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

Citigroup Economic Surprise Index



Canada

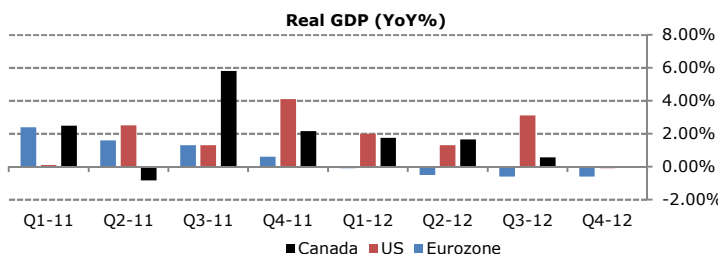
		Period	Survey	Actual	Prior
Fri, Feb 15	Manufacturing Sales (MoM)	31-Dec	-0.8%	--	1.7%

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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