

## Today's Commentary

The S&P/TSX composite added 0.32 percent on Tuesday thanks to gains in the energy sector, which was pushed higher by rising oil prices. U.S. markets were mixed with the Dow adding 0.34 percent to close above the 14,000 level, while the Nasdaq lost 0.17 percent, as Apple shares fell 2.5 percent to close at \$467.90. In other news, President Obama suggested in his State of the Union speech that the minimum wage be raised from \$7.25 to \$9 per hour, and showed support for a \$50 billion infrastructure spending program. In Canada, Mark Carney wants to see lower unemployment before interest rates rise, while a slowdown in residential investment threatens GDP in 2013.

Bank of Canada Governor Mark Carney made a statement on Tuesday voicing concerns about Canada's 7 percent unemployment rate. Although all jobs that were lost in the financial crisis have been recovered, the unemployment rate remains a percentage point higher than it was before the downturn. Carney indicated that the overnight rate target of 1.0 percent was likely to remain low for the foreseeable future, stating that "From an inflation perspective, from a monetary policy perspective, we do see slack ... in the labor market which is consistent with the maintenance of very accommodative monetary policy for some time." The comments were in line with a dovish statement made last month, when the Bank of Canada made it clear that a rate increase was "less imminent" than had been expected.

The Canadian Mortgage and Housing Corporation reported on Friday that residential housing starts have fallen to the lowest monthly level since July 2009 on a seasonally adjusted basis. The January figure of 160,577 units was far below the 195,000 units that analysts had predicted. The trend lower is being led by falling numbers in the multiples category, which includes condos and apartment buildings. CMHC Deputy Chief Economist Mathieu Laberge reported that "The current trend is in line with CMHC's housing market outlook, which calls for moderation in housing starts activity in 2013." Stricter mortgage lending regulations that were outlined by Finance Minister Jim Flaherty last summer seem to be putting a damper on condo sales, especially in Toronto, where pre-construction sales fell by nearly 50 percent late last year. According to David Madani of Capital Economics, their "calculations point to an annualised decline in residential investment of as much as 14 per cent in the first quarter of this year, subtracting almost a full 1 percent from GDP growth."

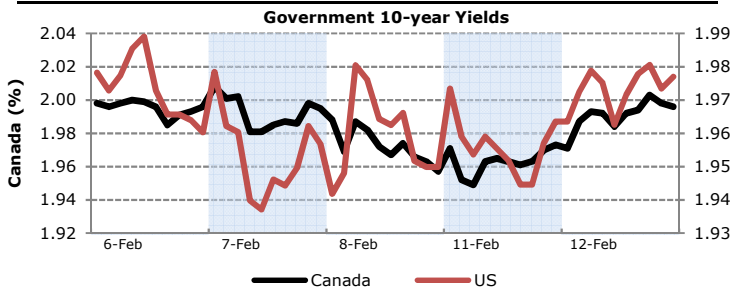
The Daily Roll is written by MFE Candidates Dipanker Koirala and Jan Varsava in partnership with the Rotman Finance Association. Please email [dailyroll@economics.utoronto.ca](mailto:dailyroll@economics.utoronto.ca) to subscribe/unsubscribe.

## Today's Major Economic Releases

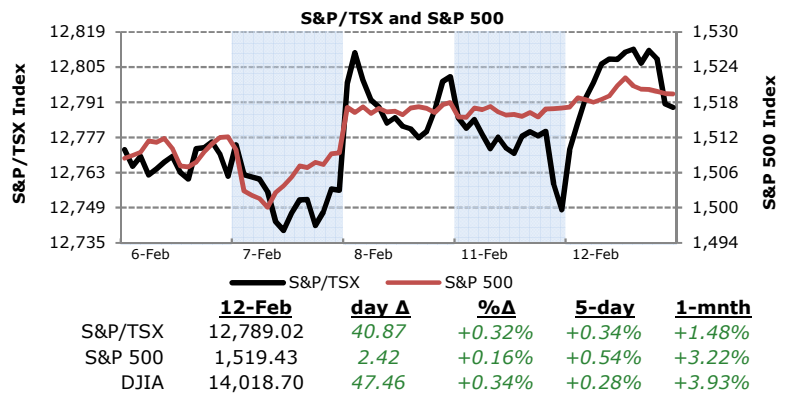
United States	Period	Survey	Actual	Prior
Advance Retail Sales	31-Jan	0.1%	0.1%	0.3%

Canada	Period	Survey	Actual	Prior
None Scheduled				

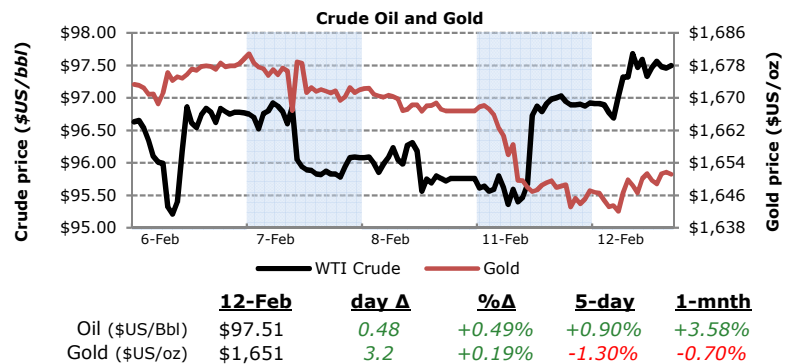
## Interest Rates



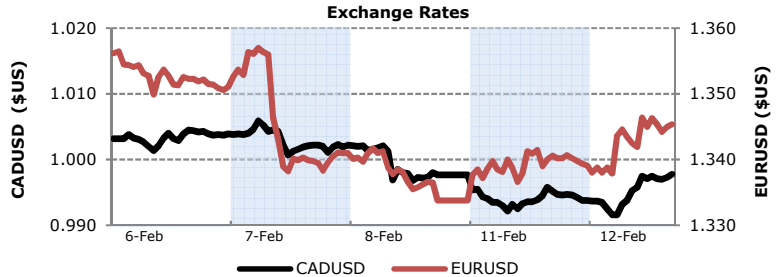
## Equities



## Commodities



## Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	12-Feb	day Δ	Historical levels		
			-5 days	-1 mnth	-1 year
USDCAD	\$1.002	-0.002	0.996	0.984	0.999
EURUSD	\$1.345	+0.005	1.358	1.338	1.345
USDJPY	¥93.48	-0.840	93.630	89.48	81.20

Government 10-year Yields

	12-Feb	day Δ	Historical levels		
			-1 mnth	-3 mnths	-1 year
Canada	2.00%	0.023%	1.94%	1.70%	2.07%
United States	1.98%	0.014%	1.87%	1.59%	1.97%

## 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.

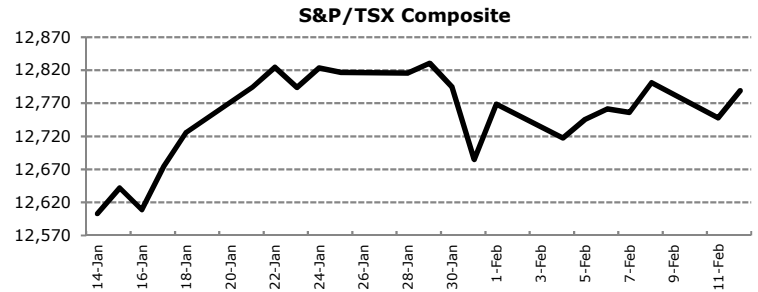
<http://www.rotman.utoronto.ca/financeassociation>

Sponsored By:



The information contained in this report is intended for educational and informative purposes only, and has been obtained from Bloomberg and other publicly-available sources, without independent verification of the accuracy thereof. The author, the MFE Program, and the Rotman Finance Association, jointly and severally expressly disclaim any responsibility for the completeness and/or accuracy of the information contained herein. The opinions expressed herein are based upon the analyses and interpretations of author(s), and are not necessarily reflective of the views or opinions of the MFE Program, Rotman Finance Association, or the University of Toronto. Nothing in this report should be construed as a solicitation, recommendation, or offer to buy or sell the securities mentioned herein. **Unauthorized use or reproduction is strictly prohibited.**

	<b>12-Feb</b>	<b>day Δ</b>	<b>%Δ</b>
<b>S&amp;P/TSX</b>	12,789.02	40.87	+0.32%
<b>Trailing S&amp;P/TSX</b>			
5-day		+0.34%	+0.41%
1-month		+1.48%	+1.61%
3-months		+4.90%	+5.21%
6-months		+7.55%	+8.20%
12-months		+3.23%	+4.35%



### TSX Sector Returns

	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
C. Discretionary	+0.43%	+0.82%	+3.77%	+19.53%
C. Staples	+0.18%	+2.22%	+2.61%	+26.74%
Energy	+1.03%	-0.21%	+1.63%	-7.98%
Financials	+0.09%	+1.05%	+2.85%	+12.38%
Healthcare	-0.20%	+0.35%	+4.60%	+12.97%
Info Tech	-0.30%	+0.80%	+8.25%	+15.68%
Industrials	+1.03%	+2.93%	+5.73%	+17.60%
Materials	+0.24%	-1.12%	-4.44%	-16.03%
Metals & Mining	+0.51%	-3.01%	-6.49%	-16.77%
Telecom	+0.23%	+0.07%	+3.51%	+13.73%
Utilities	-0.70%	-2.52%	-1.25%	+0.12%

### TSX Top Performers

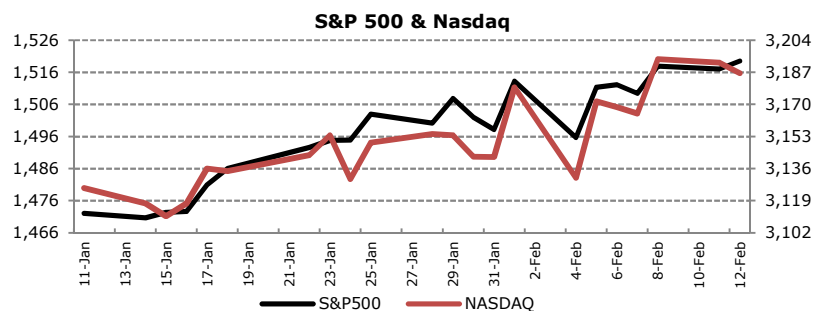
<i>Ranked by 1-day</i>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Snc-Lavalin Group Inc	+3.78%	+7.86%	+14.01%	-0.50%
Canadian Natural Resource	+3.41%	+4.30%	+5.87%	-16.19%
Harry Winston Diamond Cor	+2.91%	+3.89%	+6.73%	+27.45%
Pason Systems Inc	+2.84%	+4.86%	+2.20%	+37.97%
Toromont Industries Ltd	+2.83%	+5.05%	+5.09%	+2.36%

### TSX Worst Performers

<i>Ranked by 1-day</i>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Alacer Gold Corp	-8.37%	-6.31%	-7.35%	-54.98%
Blackpearl Resources Inc	-4.50%	-8.91%	-9.51%	-40.00%
Colossus Minerals Inc	-4.00%	-7.69%	-20.66%	-43.86%
Research In Motion	-3.24%	-4.33%	+14.58%	+2.28%
Semafo Inc	-2.64%	-10.73%	-22.29%	-59.60%

### US Indices

<i>Trailing</i>	<b>S&amp;P 500</b>	<b>DJIA</b>	<b>Nasdaq</b>
12-Feb	1,519.43	14,018.70	3,186.49
1-day	+0.16%	+0.34%	-0.17%
5-day	+0.54%	+0.28%	+0.47%
1-month	+3.22%	+3.93%	+1.95%
3-months	+10.10%	+9.39%	+9.72%
6-months	+8.08%	+6.14%	+5.48%
12-months	+13.17%	+9.51%	+9.73%



### S&P 500 Sector Returns

	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
C. Discretionary	+0.37%	+0.77%	+3.75%	+20.19%
C. Staples	-0.14%	+0.38%	+4.02%	+15.22%
Energy	+0.31%	+0.08%	+4.98%	+6.42%
Financials	+0.76%	+1.25%	+3.98%	+22.37%
Healthcare	-0.15%	-0.07%	+3.51%	+20.80%
Info Tech	-0.47%	+0.50%	+0.39%	+4.04%
Industrials	+0.44%	+0.68%	+4.30%	+10.89%
Materials	+0.16%	+0.12%	+0.90%	+6.03%
Telecom	+0.63%	+0.46%	+2.73%	+20.64%
Utilities	+0.40%	+0.97%	+4.08%	+6.06%

### DJIA Top Performers

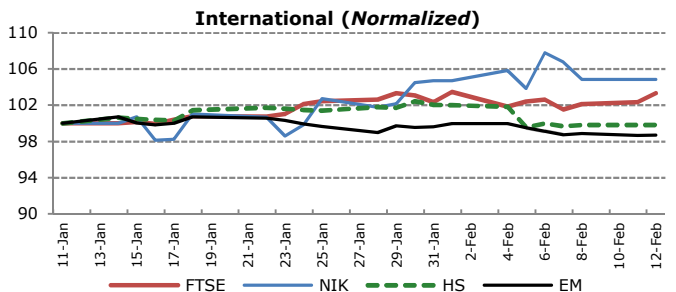
<i>Ranked by 1-day</i>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Bank Of America Corp	+3.29%	+3.11%	+5.33%	+49.20%
Alcoa Inc	+1.80%	+1.35%	+1.35%	-11.38%
Hewlett-Packard Co	+1.60%	+2.95%	+5.82%	-38.83%

### DJIA Worst Performers

<i>Ranked by 1-day</i>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Coca-Cola Co/The	-2.72%	-1.52%	+1.76%	+12.84%
Cisco Systems Inc	-1.46%	-0.57%	+2.34%	+7.10%
Pfizer Inc	-0.55%	-1.89%	+2.66%	+31.45%

### International Markets

<i>Trailing</i>	<b>FTSE 100</b>	<b>Nikkei</b>	<b>Hang Seng</b>	<b>MSCI EM</b>
Last Close	6,338.38	11,369.12	23,215.16	1,059.03
1-day	+0.98%	+1.94%	+0.16%	+0.03%
5-day	+0.89%	+2.92%	-2.14%	-0.80%
1-month	+3.54%	+5.25%	+0.45%	-1.31%
3-months	+9.90%	+31.03%	+7.64%	+7.05%
6-months	+8.40%	+27.87%	+15.70%	+8.15%
12-months	+8.30%	+27.07%	+10.45%	+1.62%



This market summary has been created by candidates in the University of Toronto's Master of Financial Economics Program (the "MFE Program"). The information contained herein is intended for educational and informative purposes only, and has been obtained from Bloomberg and other publicly-available sources, without independent verification of the accuracy thereof. The author, the MFE Program, and the Rotman Finance Association, jointly and severally expressly disclaim any responsibility for the completeness and/or accuracy of the information contained herein. The opinions expressed herein are based upon the analyses and interpretations of the Author, and are not necessarily reflective of the views or opinions of the MFE Program, Rotman Finance Association, or the University of Toronto. Nothing in this report should be construed as a solicitation, recommendation, or offer to buy or sell the securities mentioned herein. **Unauthorized use or reproduction is strictly prohibited.**

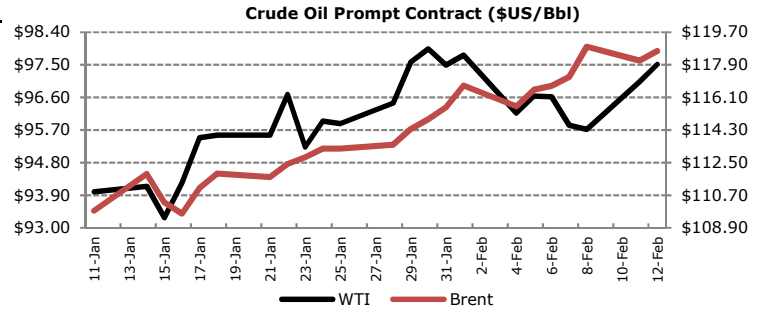
### Nymex WTI Crude Oil

(\$US/Bbl)	12-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$97.51	+\$0.48	+0.49%	+0.90%	+3.58%
Cal 13	\$98.73	+\$0.41	+0.42%	+1.02%	+5.79%
Cal 14	\$95.53	+\$0.06	+0.06%	+0.56%	+3.43%

(\$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	\$98.56	\$99.33	\$98.72	\$97.44	\$95.53

### Inventory Levels (as of Feb-01)

(Mbbbls)	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



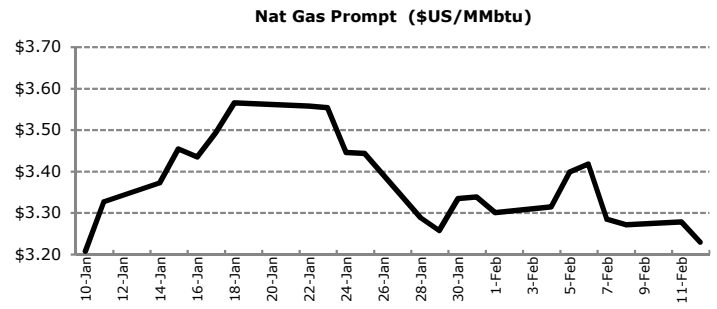
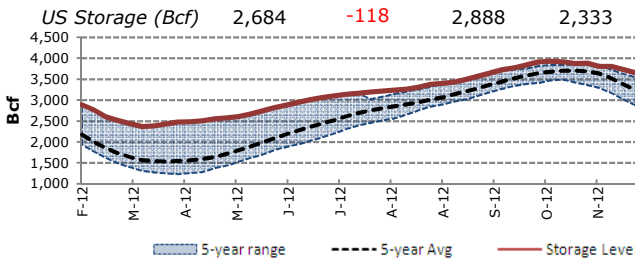
### UK Brent Crude Oil

(\$US/Bbl)	12-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$118.66	+\$0.53	+0.45%	+1.84%	+6.06%

### Nymex Natural Gas

(\$US/MMbtu)	12-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$3.23	-\$0.05	-1.49%	-4.97%	-2.92%
Apr13-Oct13	\$3.45	-\$0.06	-1.57%	-4.26%	-2.51%
Nov13-Mar14	\$3.89	-\$0.05	-1.29%	-3.10%	-1.65%
Apr14-Oct14	\$3.94	-\$0.04	-1.04%	-2.17%	-0.92%
Nov14-Mar15	\$4.30	-\$0.04	-0.89%	-1.76%	+0.12%

### Inventory Levels (as of Feb-01)

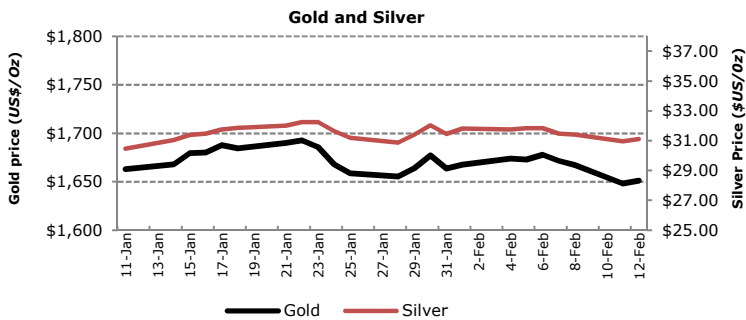


### Alberta Natural Gas

(\$CAD/GJ)	12-Feb	day Δ	%Δ
AECO Mar-13	\$2.82	-\$0.04	-1.4%

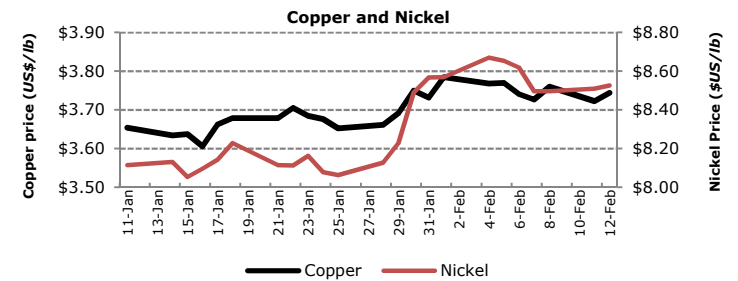
### Precious Metals

\$US/oz	12-Feb	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,651.15	+\$3.20	+0.2%	-1.3%	-0.7%	-4.4%
Silver	\$31.11	+\$0.16	+0.5%	-2.2%	+2.1%	-4.8%
Platinum	\$1,718	+\$28.25	+1.7%	+0.4%	+5.2%	+8.3%



### Industrial Metals

\$US/lb	12-Feb	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.74	+\$0.02	+0.6%	-0.7%	+2.5%	+8.4%
Nickel	\$8.53	+\$0.02	+0.2%	-1.5%	+5.1%	+13.7%
Zinc	\$1.06	-\$0.01	-0.9%	+0.8%	+7.0%	+11.6%
Aluminum	\$0.94	+\$0.00	0.0%	0.0%	0.0%	+5.6%
Uranium	\$43.40	+\$0.00	0.0%	-0.6%	+3.3%	+4.8%



### Agriculture & Other

	12-Feb	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$6.96	-\$0.06	-0.9%	-4.5%	-1.8%
Wheat (\$US/bu)	\$7.32	-\$0.09	-1.3%	-3.4%	-3.0%
Soybeans (\$US/bu)	\$14.10	-\$0.08	-0.5%	-5.1%	+3.3%
Rough Rice (\$US/cwt)	\$15.66	-\$0.19	-1.2%	-3.0%	+2.9%
Sugar #11 (¢US/lb)	¢18.07	¢0.39	-2.1%	-3.1%	-6.7%
Lean Hogs (¢US/lb)	¢86.00	¢0.38	-0.4%	-1.9%	-1.3%
Live Cattle (¢US/lb)	¢129.95	¢0.40	-0.3%	-1.8%	-3.4%
Cotton No.2 (\$US/lb)	\$0.83	-\$0.01	-1.0%	+0.8%	+8.8%
Lumber (\$US/Mbft)	\$389.30	+\$5.00	+1.3%	+2.7%	+2.2%

### Commodity ETFs

	12-Feb	day Δ	%Δ	5-day	1-mnth
<b>\$CAD</b>					
HBP Crude Oil U	\$4.89	+\$0.05	+1.0%	+1.9%	+6.1%
HBP Nat Gas U	\$10.87	-\$0.24	-2.2%	-9.4%	-8.2%
HBP Comex Gold	\$16.42	+\$0.03	+0.2%	-1.4%	-1.1%
<b>\$USD</b>					
US Crude Oil	\$35.28	+\$0.16	+0.5%	0.71%	+3.2%
US Nat Gas	\$18.27	-\$0.18	-1.0%	-4.74%	+1.8%
PSDB Agriculture	\$26.73	-\$0.11	-0.4%	-3.47%	-3.5%
PSDB Base Metals	\$19.63	+\$0.10	+0.5%	-0.05%	+1.9%

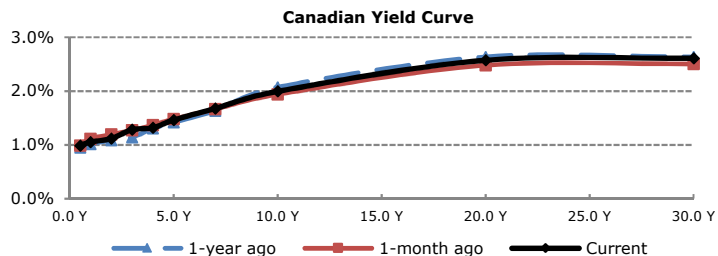
This market summary has been created by candidates in the University of Toronto's Master of Financial Economics Program (the "MFE Program"). The information contained herein is intended for educational and informative purposes only, and has been obtained from Bloomberg and other publicly-available sources, without independent verification of the accuracy thereof. The author, the MFE Program, and the Rotman Finance Association, jointly and severally expressly disclaim any responsibility for the completeness and/or accuracy of the information contained herein. The opinions expressed herein are based upon the analyses and interpretations of the Author, and are not necessarily reflective of the views or opinions of the MFE Program, Rotman Finance Association, or the University of Toronto. Nothing in this report should be construed as a solicitation, recommendation, or offer to buy or sell the securities mentioned herein. **Unauthorized use or reproduction is strictly prohibited.**

## Interest Rates

### Canadian yield curve

	<b>12-Feb</b>	<b>day Δ</b>	<b>-1 mnth</b>	<b>-3 mnths</b>	<b>-1 year</b>
3-mnth	0.94%	-	0.92%	0.98%	0.90%
6-mnth	0.99%	-	0.99%	1.01%	0.95%
12-mnth	1.05%	-0.00%	1.12%	1.06%	1.02%
2-year	1.12%	+0.01%	1.19%	1.07%	1.09%
5-year	1.46%	+0.02%	1.48%	1.30%	1.42%
10-year	2.00%	+0.02%	1.94%	1.70%	2.07%
20-year	2.57%	+0.03%	2.48%	2.26%	2.64%
30-year	2.61%	+0.03%	2.51%	2.30%	2.64%

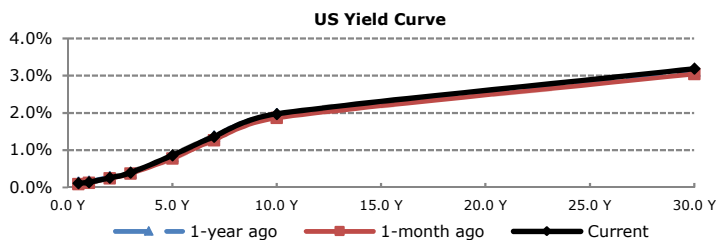
### Historical Levels



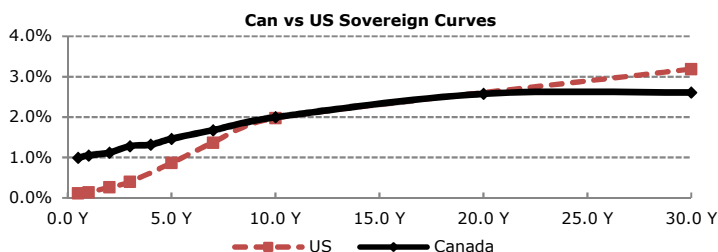
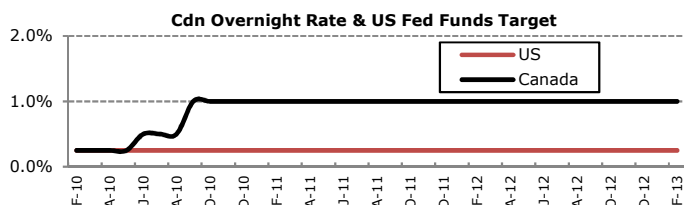
### US yield curve

	<b>12-Feb</b>	<b>day Δ</b>	<b>-1 mnth</b>	<b>-3 mnths</b>	<b>-1 year</b>
3-mnth	0.08%	+0.02%	0.07%	0.10%	0.10%
6-mnth	0.12%	+0.01%	0.10%	0.14%	0.13%
12-mnth	0.14%	-	0.13%	0.17%	0.16%
2-year	0.26%	+0.01%	0.25%	0.25%	0.29%
5-year	0.86%	+0.01%	0.78%	0.62%	0.83%
10-year	1.98%	+0.01%	1.87%	1.59%	1.97%
30-year	3.19%	+0.02%	3.05%	2.73%	3.12%

### Historical Levels



	<b>Current</b>	<b>Prior</b>	<b>Next Meeting</b>	<b>Survey</b>
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)

<b>Spot</b>	<b>12-Feb</b>	<b>day Δ</b>	<b>-1 mnth</b>	<b>-3 mnths</b>	<b>-1 year</b>
USDCAD	\$1.002	-0.002	0.984	1.002	0.999
EURUSD	\$1.345	+0.005	1.338	1.270	1.345
USDJPY	¥93.48	-0.840	89.48	79.38	81.20
GBPUSD	\$1.566	+0.000	1.608	1.587	1.588
AUDUSD	\$1.031	+0.005	1.057	1.044	1.069

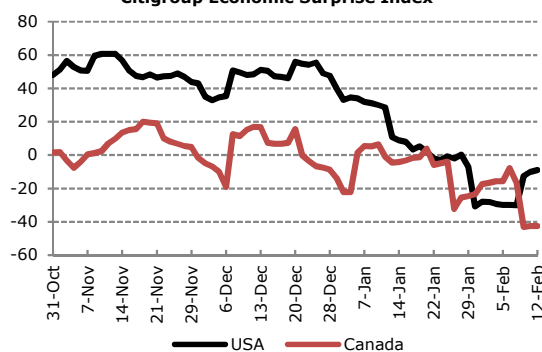
<b>Spot</b>	<b>12-Feb</b>	<b>day Δ</b>	<b>-1 mnth</b>	<b>-3 mnths</b>	<b>-1 year</b>
CADJPY	¥93.27	-0.607	90.95	79.21	81.25
CADAUD	\$0.968	-0.002	0.962	0.956	0.936
GBPUSD	£1.570	-0.004	1.582	1.591	1.586
EURJPY	¥125.77	-0.680	119.74	100.84	109.18
EURAUD	\$1.31	-0.002	1.27	1.22	1.26

## Economic Releases

### United States

		<b>Period</b>	<b>Survey</b>	<b>Actual</b>	<b>Prior</b>
Wed, Feb 13	Advance Retail Sales	31-Jan	0.1%	0.1%	0.3%
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

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

## Economics

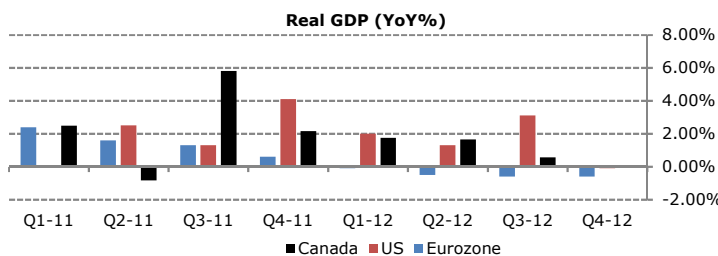
<b>Canada</b>	<b>Q1-12</b>	<b>Q2-12</b>	<b>Q3-12</b>	<b>Q4-12</b>	<b>2012E</b>
Real GDP	1.74%	1.65%	0.57%	NA	2.00%
CPI	2.33%	1.57%	1.23%	0.93%	1.60%
Unemployment	7.20%	7.20%	7.30%	7.10%	7.30%

<b>US</b>	<b>Q1-12</b>	<b>Q2-12</b>	<b>Q3-12</b>	<b>Q4-12</b>	<b>2012E</b>
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%

<b>China</b>	<b>Q1-12</b>	<b>Q2-12</b>	<b>Q3-12</b>	<b>Q4-12</b>	<b>2012E</b>
Real GDP	8.10%	7.60%	7.40%	7.90%	7.80%



This market summary has been created by candidates in the University of Toronto's Master of Financial Economics Program (the "MFE Program"). The information contained herein is intended for educational and informative purposes only, and has been obtained from Bloomberg and other publicly-available sources, without independent verification of the accuracy thereof. The author, the MFE Program, and the Rotman Finance Association, jointly and severally expressly disclaim any responsibility for the completeness and/or accuracy of the information contained herein. The opinions expressed herein are based upon the analyses and interpretations of the Author, and are not necessarily reflective of the views or opinions of the MFE Program, Rotman Finance Association, or the University of Toronto. Nothing in this report should be construed as a solicitation, recommendation, or offer to buy or sell the securities mentioned herein. **Unauthorized use or reproduction is strictly prohibited.**