

## Today's Commentary

The S&P 500 briefly touched its highest intraday level since 2007, but closed almost flat at 1520. It remains 3 percent short of its all-time high. U.S. markets were mixed with the Dow falling 0.26 percent while the Nasdaq appreciated 0.33 percent. In Canada, the S&P/TSX composite fell 0.11 percent to close at 12,775, after Barrick Gold Corp announced disappointing earnings, sending its African subsidiary down 11 percent. Kinross announced a 3.1 billion impairment charge relating to an underperforming African mining operation after hours. Investors are now awaiting Goldcorp's earnings to be released on Thursday. Financials rose 0.2 percent, despite rising concern about Canada's unemployment and weakening residential investment. Meanwhile, Japan's GDP fell for a third consecutive quarter.

The Japanese economy remains in a mild recession, as GDP contracted 0.4 percent in the fourth quarter of 2012, marking three quarters of negative growth. The Bank of Japan announced on Thursday that monetary stimulus will proceed as planned, maintaining an inflation target of 2 percent. The yen traded at a 33-month low of 94.46 yen against the USD earlier this week. The weak GDP numbers suggest that aggressive monetary and fiscal stimulus under the direction of Prime Minister Shinzo Abe will continue for quite some time. The next rate review under the Bank of Japan's next governor will take place on April 3-4. The yen has slipped 20 percent behind the USD and 25 percent against the euro since Abe's election became a near certainty back in November.

According to official data, the Eurozone economy shrank 0.6 percent in the fourth quarter of last year. German and French GDP fell 0.6 and 0.3 percent, respectively - both economies contracted 10 basis points more than the consensus expectation. The Italian economy shrank by 0.9 percent, while the Dutch and Austrian economies shrank as well. The European Central Bank's forecast of a recovery in the second half of the year is under scrutiny with rising speculation that there could be another rate cut on the table for sometime this year. Though Mario Draghi has said that the ECB will not directly target the exchange rate, there might be action taken to curb its strength as EU members have had complaints about the strength in the euro hurting exports. The common currency fell 1 percent against the US dollar after the GDP numbers were released.

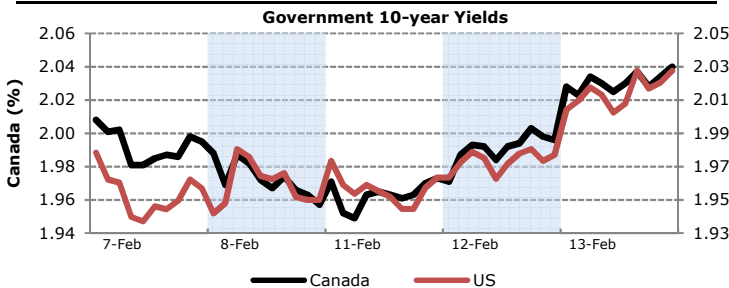
The Daily Roll is written by MFE Candidates Dipanker Koirala and Jan Varsava in partnership with the Rotman Finance Association. Please email [dailyroll@economics.utoronto.ca](mailto:dailyroll@economics.utoronto.ca) to subscribe/unsubscribe.

## Today's Major Economic Releases

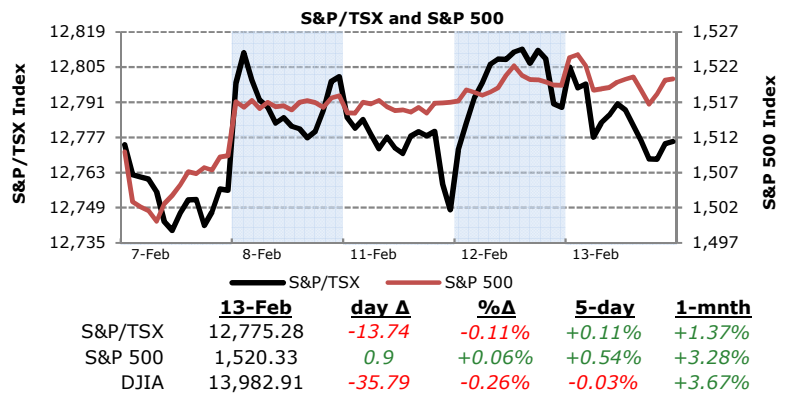
United States	Period	Survey	Actual	Prior
Continuing Claims	2-Feb	3205K	3110K	3224K
Initial Jobless Claims	9-Feb	360K	341K	368K

Canada	Period	Survey	Actual	Prior
None Scheduled				

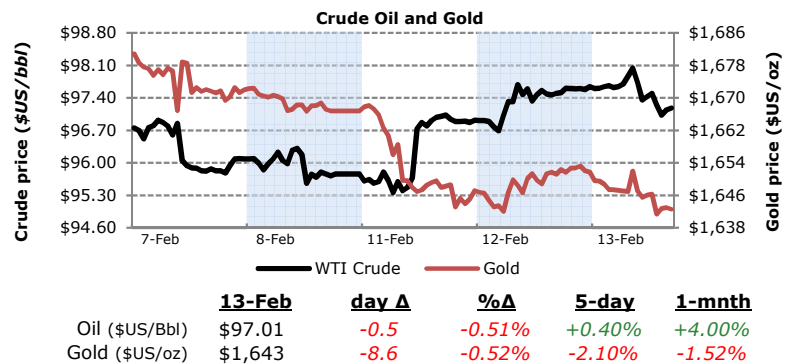
## Interest Rates



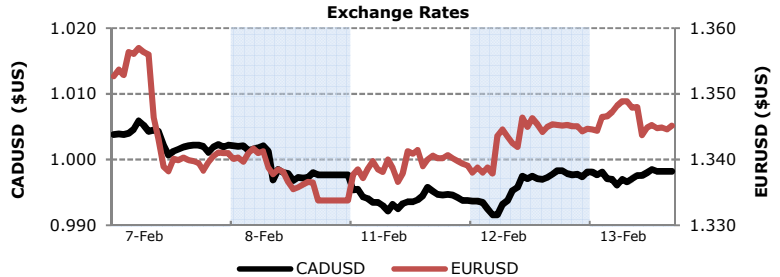
## Equities



## Commodities



## Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	13-Feb	day Δ	Historical levels		
			-5 days	-1 mnth	-1 year
USDCAD	\$1.002	-0.000	0.996	0.984	0.999
EURUSD	\$1.345	-0.000	1.352	1.331	1.340
USDJPY	¥93.39	-0.090	93.640	88.79	80.61

Government 10-year Yields

	13-Feb	day Δ	Historical levels		
			-1 mnth	-3 mnths	-1 year
Canada	2.04%	0.044%	1.94%	1.72%	2.02%
United States	2.03%	0.051%	1.84%	1.59%	1.94%

## 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>

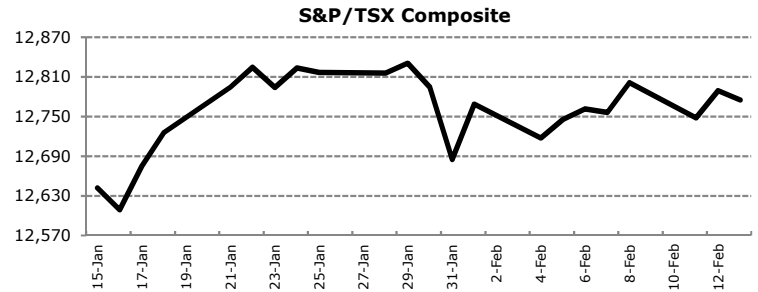
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	<b>13-Feb</b>	<b>day Δ</b>	<b>%Δ</b>
<b>S&amp;P/TSX</b>	12,775.28	-13.74	-0.11%

<b>Trailing</b>	<b>S&amp;P/TSX</b>	<b>TSX 60</b>
5-day	+0.11%	+0.21%
1-month	+1.37%	+1.51%
3-months	+5.28%	+5.58%
6-months	+7.91%	+8.59%
12-months	+3.04%	+4.16%



**TSX Sector Returns**

	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
C. Discretionary	-0.47%	+0.08%	+3.28%	+18.23%
C. Staples	-0.36%	+0.18%	+2.25%	+26.26%
Energy	+0.31%	+0.90%	+1.94%	-8.11%
Financials	+0.24%	+0.88%	+3.09%	+12.47%
Healthcare	+1.13%	+1.31%	+5.78%	+14.28%
Info Tech	-3.48%	-2.90%	+4.49%	+10.68%
Industrials	+0.07%	+2.79%	+5.80%	+17.11%
Materials	-1.02%	-2.29%	-5.41%	-16.48%
Metals & Mining	+0.20%	-2.96%	-6.31%	-16.61%
Telecom	-0.22%	-0.62%	+3.28%	+12.90%
Utilities	+0.39%	-1.78%	-0.87%	+0.62%

**TSX Top Performers**

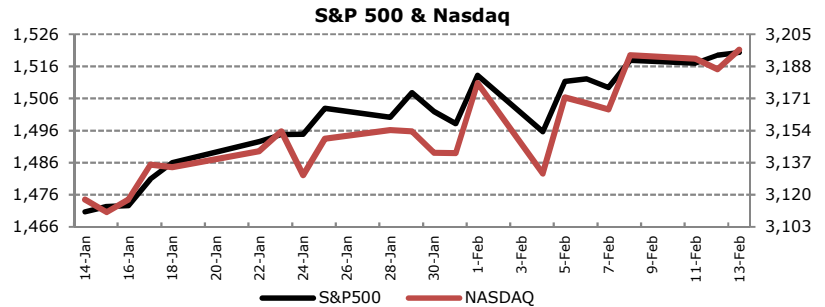
<i>Ranked by 1-day</i>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Legacy Oil + Gas Inc	+4.48%	+1.69%	-3.47%	-40.69%
Birchcliff Energy Ltd	+3.01%	+0.80%	+7.28%	-41.02%
Catamaran Corp	+2.85%	+2.17%	+6.16%	+72.99%
Inter Pipeline Fund Lp-A	+2.70%	+0.40%	-2.56%	+22.78%
Oceanagold Corp	+2.66%	+0.37%	-3.23%	+11.11%

**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>
Research In Motion	-8.20%	-12.39%	+5.18%	-3.78%
Chorus Aviation Inc - B	-7.26%	-4.62%	+0.46%	+16.04%
Premier Gold Mines Ltd	-6.65%	-12.47%	-19.65%	-40.63%
Colossus Minerals Inc	-4.95%	-12.89%	-24.59%	-45.93%
Gabriel Resources Ltd	-4.74%	-3.98%	-1.63%	-58.94%

**US Indices**

<i>Trailing</i>	<b>S&amp;P 500</b>	<b>DJIA</b>	<b>Nasdaq</b>
13-Feb	1,520.33	13,982.91	3,196.88
1-day	+0.06%	-0.26%	+0.33%
5-day	+0.54%	-0.03%	+0.90%
1-month	+3.28%	+3.67%	+2.28%
3-months	+10.61%	+9.62%	+10.85%
6-months	+8.28%	+6.18%	+5.77%
12-months	+12.47%	+8.61%	+9.06%



**S&P 500 Sector Returns**

	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
C. Discretionary	+0.21%	+0.80%	+3.97%	+19.57%
C. Staples	+0.06%	+0.30%	+4.09%	+14.93%
Energy	+0.21%	+0.26%	+5.20%	+5.78%
Financials	-0.23%	+0.86%	+3.75%	+20.94%
Healthcare	-0.06%	-0.07%	+3.44%	+19.99%
Info Tech	+0.01%	+0.66%	+0.40%	+3.45%
Industrials	+0.52%	+1.19%	+4.84%	+10.18%
Materials	+0.26%	+0.23%	+1.17%	+6.10%
Telecom	-0.30%	-0.11%	+2.43%	+19.30%
Utilities	-0.22%	+0.53%	+3.85%	+6.16%

**DJIA Top Performers**

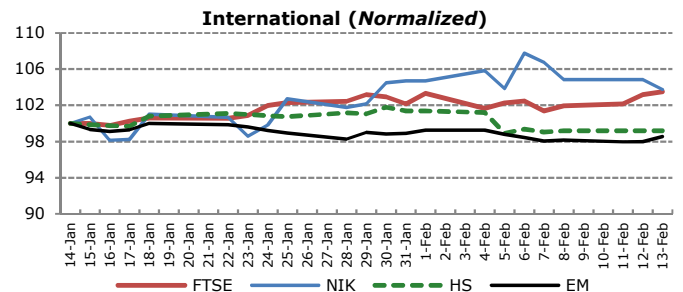
<i>Ranked by 1-day</i>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
General Electric Co	+3.59%	+4.23%	+10.70%	+23.50%
Cisco Systems Inc	+0.86%	-0.24%	+3.22%	+5.33%
Alcoa Inc	+0.78%	+1.56%	+1.79%	-10.87%

**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>
Boeing Co/The	-1.59%	-1.98%	-0.51%	-1.03%
Mcdonald'S Corp	-1.16%	-1.13%	+2.47%	-5.58%
Jpmorgan Chase & Co	-0.94%	+0.14%	+5.50%	+28.38%

**International Markets**

<i>Trailing</i>	<b>FTSE 100</b>	<b>Nikkei</b>	<b>Hang Seng</b>	<b>MSCI EM</b>
Last Close	6,359.11	11,251.41	23,215.16	1,064.88
1-day	+0.33%	-1.04%	+0.16%	+0.55%
5-day	+1.01%	-1.85%	-2.14%	+0.11%
1-month	+3.88%	+4.16%	+0.45%	-0.76%
3-months	+9.90%	+29.91%	+7.64%	+8.42%
6-months	+9.04%	+26.63%	+15.70%	+9.49%
12-months	+7.68%	+25.03%	+10.45%	+1.13%



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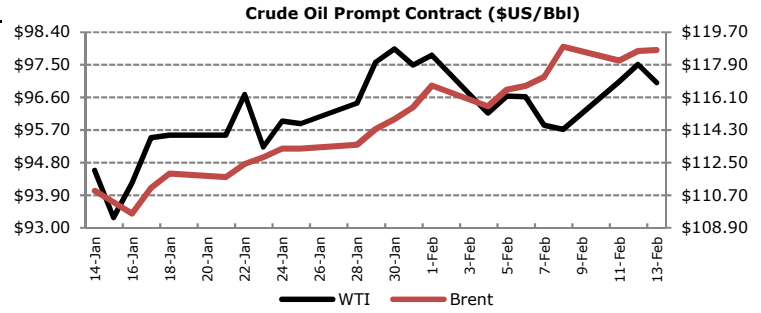
### Nymex WTI Crude Oil

(\$US/Bbl)	13-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$97.01	-\$0.50	-0.51%	+0.40%	+4.00%
Cal 13	\$98.30	-\$0.43	-0.44%	+0.51%	+4.17%
Cal 14	\$95.27	-\$0.26	-0.27%	+0.01%	+2.59%

(\$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	\$98.10	\$98.90	\$98.33	\$97.10	\$95.27

### Inventory Levels (as of Feb-08)

(MMbbls)	Current	Week Δ	Last Yr	5 Yr. Avg
Crude Oil	372,245	+560	337,426	319,411
Motor Gas	233,236	-803	214,389	200,481
Distillates	125,904	-3,677	171,756	140,851



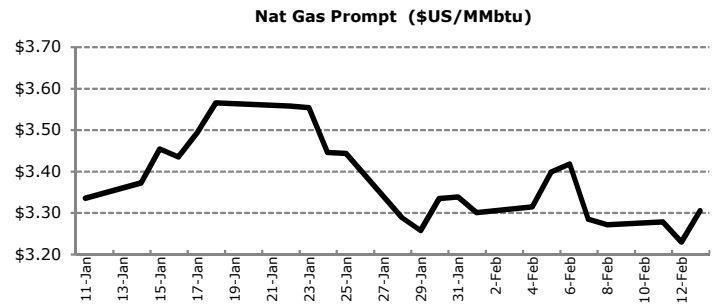
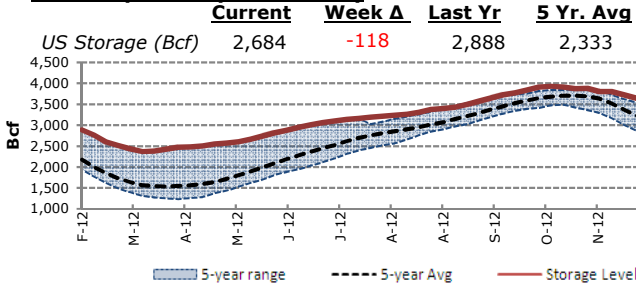
### UK Brent Crude Oil

(\$US/Bbl)	13-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$118.72	+\$0.06	+0.05%	+1.70%	+7.63%

### Nymex Natural Gas

(\$US/MMbtu)	13-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$3.31	+\$0.08	+2.35%	-3.28%	-1.99%
Apr13-Oct13	\$3.52	+\$0.07	+2.00%	-2.50%	+2.28%
Nov13-Mar14	\$3.95	+\$0.06	+1.43%	-1.78%	+1.74%
Apr14-Oct14	\$3.99	+\$0.05	+1.25%	-0.86%	+1.84%
Nov14-Mar15	\$4.35	+\$0.05	+1.11%	-0.61%	+2.46%

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

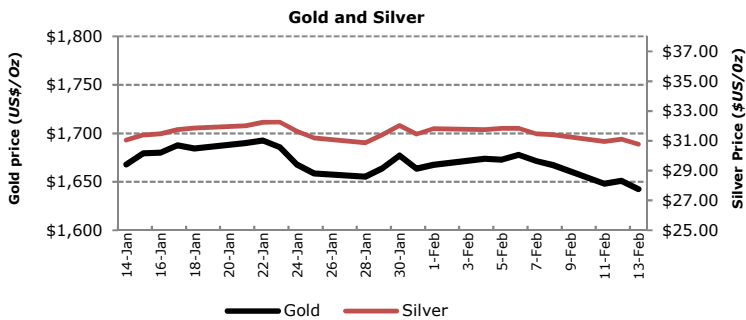


### Alberta Natural Gas

(\$CAD/GJ)	13-Feb	day Δ	%Δ
AECO Mar-13	\$2.82	+\$0.00	+0.0%

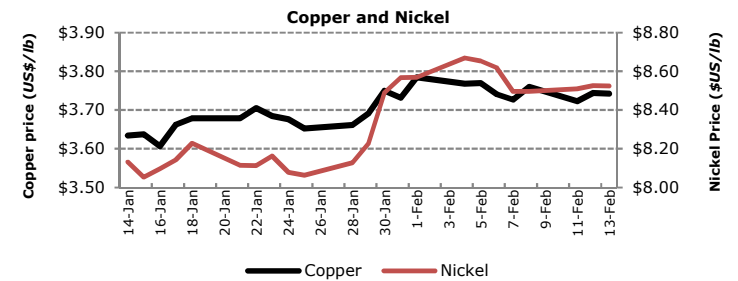
### Precious Metals

\$US/oz	13-Feb	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,642.55	-\$8.60	-0.5%	-2.1%	-1.5%	-4.3%
Silver	\$30.78	-\$0.33	-1.1%	-3.3%	-0.9%	-5.6%
Platinum	\$1,721	+\$3.00	+0.2%	-0.9%	+3.9%	+9.5%



### Industrial Metals

\$US/lb	13-Feb	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.74	-\$0.00	-0.0%	+0.1%	+3.0%	+8.1%
Nickel	\$8.52	-\$0.00	-0.0%	-1.1%	+4.8%	+13.5%
Zinc	\$1.07	+\$0.01	+1.0%	+2.2%	+8.8%	+13.5%
Aluminum	\$0.95	+\$0.01	+1.1%	+1.1%	+1.1%	+8.0%
Uranium	\$43.25	-\$0.15	-0.3%	-0.6%	+3.0%	+4.5%



### Agriculture & Other

	13-Feb	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$6.94	-\$0.02	-0.3%	-4.2%	-4.1%
Wheat (\$US/bu)	\$7.36	+\$0.04	+0.5%	-3.4%	-4.1%
Soybeans (\$US/bu)	\$14.14	+\$0.04	+0.3%	-4.3%	+0.6%
Rough Rice (\$US/cwt)	\$15.86	+\$0.20	+1.2%	-2.1%	+5.3%
Sugar #11 (¢US/lb)	¢18.20	+¢0.13	+0.7%	-0.1%	-4.9%
Lean Hogs (¢US/lb)	¢85.80	-¢0.20	-0.2%	-0.5%	-2.3%
Live Cattle (¢US/lb)	¢129.40	-¢0.55	-0.4%	-1.6%	-4.0%
Cotton No.2 (\$US/lb)	\$0.82	-\$0.01	-1.1%	-0.4%	+7.7%
Lumber (\$US/Mbft)	\$393.90	+\$4.60	+1.2%	+1.3%	+1.8%

### Commodity ETFs

	13-Feb	day Δ	%Δ	5-day	1-mnth
<b>\$CAD</b>					
HBP Crude Oil U	\$4.86	-\$0.03	-0.6%	+0.8%	+7.0%
HBP Nat Gas U	\$11.17	+\$0.30	+2.8%	-8.5%	-8.8%
HBP Comex Gold	\$16.35	-\$0.07	-0.4%	-2.0%	-2.2%
<b>\$USD</b>					
US Crude Oil	\$35.19	-\$0.09	-0.3%	0.43%	+3.3%
US Nat Gas	\$18.52	+\$0.25	+1.4%	-4.34%	-1.1%
PSDB Agriculture	\$26.70	-\$0.03	-0.1%	-2.38%	-3.9%
PSDB Base Metals	\$19.71	+\$0.08	+0.4%	0.82%	+3.5%

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## Interest Rates

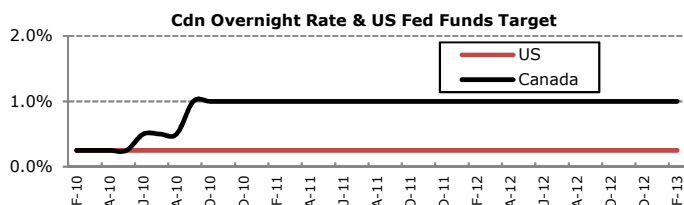
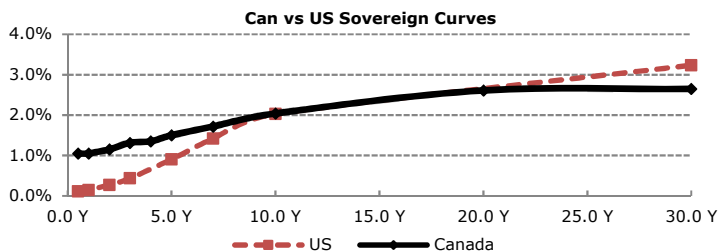
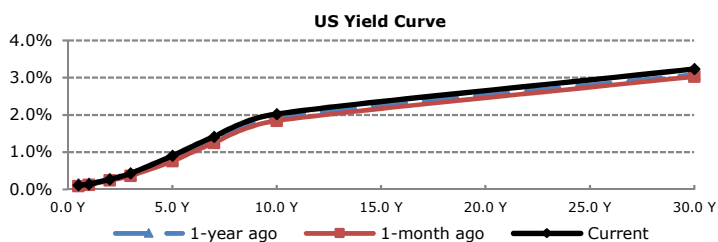
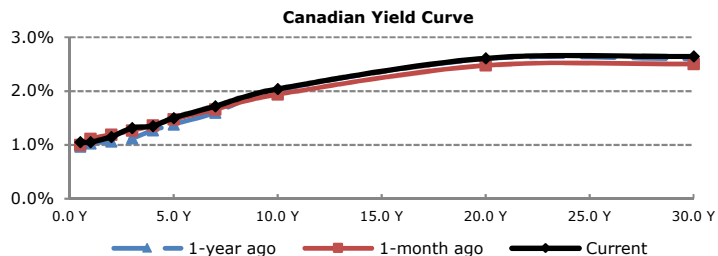
### Canadian yield curve

	<b>13-Feb</b>	<b>day Δ</b>	<i>Historical Levels</i>		
			<b>-1 mnth</b>	<b>-3 mnths</b>	<b>-1 year</b>
3-mnth	0.94%	-	0.92%	0.97%	0.93%
6-mnth	1.05%	-	1.00%	1.01%	0.97%
12-mnth	1.05%	-	1.12%	1.06%	1.03%
2-year	1.15%	+0.03%	1.19%	1.08%	1.06%
5-year	1.50%	+0.04%	1.48%	1.31%	1.38%
10-year	2.04%	+0.04%	1.94%	1.72%	2.02%
20-year	2.61%	+0.04%	2.48%	2.27%	2.60%
30-year	2.65%	+0.03%	2.51%	2.31%	2.60%

### US yield curve

	<b>13-Feb</b>	<b>day Δ</b>	<i>Historical Levels</i>		
			<b>-1 mnth</b>	<b>-3 mnths</b>	<b>-1 year</b>
3-mnth	0.09%	+0.01%	0.07%	0.08%	0.11%
6-mnth	0.12%	-	0.10%	0.13%	0.14%
12-mnth	0.15%	+0.01%	0.13%	0.17%	0.16%
2-year	0.27%	+0.01%	0.25%	0.24%	0.28%
5-year	0.91%	+0.04%	0.76%	0.62%	0.82%
10-year	2.03%	+0.05%	1.84%	1.59%	1.94%
30-year	3.23%	+0.05%	3.03%	2.73%	3.09%

	<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

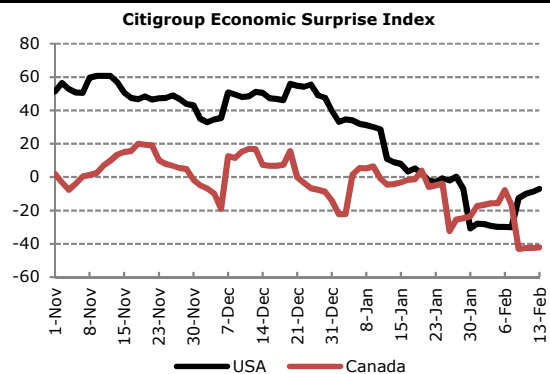
(USDCAD implies 1-USD to CAD)

<i>Spot</i>	<b>13-Feb</b>	<b>day Δ</b>	<i>Historical Levels</i>			<i>Spot</i>	<b>13-Feb</b>	<b>day Δ</b>	<i>Historical Levels</i>		
			<b>-1 mnth</b>	<b>-3 mnths</b>	<b>-1 year</b>				<b>-1 mnth</b>	<b>-3 mnths</b>	<b>-1 year</b>
USDCAD	\$1.002	-0.000	0.984	1.004	0.999	CADJPY	¥93.23	-0.042	90.21	79.94	80.69
EURUSD	\$1.345	-0.000	1.331	1.274	1.340	CADAUD	\$0.963	-0.005	0.962	0.960	0.930
USDJPY	¥93.39	-0.090	88.79	80.25	80.61	GBPUSD	£1.557	-0.013	1.581	1.590	1.581
GBPUSD	\$1.554	-0.012	1.607	1.584	1.582	EURJPY	¥125.64	-0.130	118.14	102.20	107.99
AUDUSD	\$1.037	+0.007	1.057	1.038	1.076	EURAUD	\$1.30	-0.008	1.26	1.23	1.25

## 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%	0.5%
Thu, Feb 14	Continuing Claims	2-Feb	3205K	3110K	3224K
Thu, Feb 14	Initial Jobless Claims	9-Feb	360K	341K	368K
Fri, Feb 15	Industrial Production	31-Jan	0.2K	--	0.3K

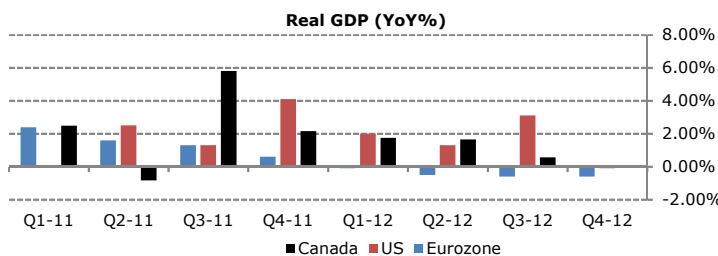


### Canada

		<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>Q1-12</b>	<b>Q2-12</b>	<b>Q3-12</b>	<b>Q4-12</b>	<b>2013E</b>
<b>Canada</b>					
Real GDP	1.74%	1.65%	0.57%	NA	1.80%
CPI	2.33%	1.57%	1.23%	0.93%	1.70%
Unemployment	7.20%	7.20%	7.30%	7.10%	7.20%
<b>US</b>					
Real GDP	2.00%	1.30%	3.10%	-0.10%	2.00%
CPI	2.83%	1.90%	1.70%	1.90%	1.90%
Unemployment	8.20%	8.20%	7.80%	7.80%	7.70%
<b>China</b>					
Real GDP	8.10%	7.60%	7.40%	7.90%	8.10%



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