

Today's Commentary

U.S. markets ended a mixed week with the Dow up 0.06 percent and the S&P 500 and Nasdaq down 0.10 and 0.21 percent respectively on Friday. Gold prices fell to a six-month low, dragging the S&P/TSX composite down 0.28 percent to close at 12,687. Weak Canadian manufacturing sales numbers also weighed on the index, while the materials sector dropped 2 percent, with Goldcorp and Barrick Gold losing 2.0 and 1.9 percent respectively. Meanwhile, a drop in U.S. industrial production pulled oil prices lower and negatively impacted energy stocks. The yen fell in response to a G20 statement on the weekend that avoided any criticism of Japan's monetary policy. Markets were closed for holidays in the U.S. and Canada on Monday.

G20 policymakers made an effort to calm fears of currency wars during their meeting in Moscow on the weekend. The Japanese government, whose aggressive monetary and fiscal stimulus has pushed the yen down by about 20 percent against the USD since November, avoided any direct criticism. European Central Bank President Mario Draghi stated that "Most of the exchange rate movements that we have seen were not explicitly targeted, they were the result of domestic macroeconomic policies meant to boost the economy. . . In this sense, I find really excessive any language referring to currency wars." The yen dropped 0.5 percent against the USD and 0.3 percent against the euro following the G20 statement, as investors anticipate that Japanese Prime Minister Shinzo Abe's policies will proceed as planned. Abe is expected to appoint the next governor of the Bank of Japan this week, as the current governor steps down on March 19.

German investor confidence has risen to a three year high. The gauge has climbed to 48.2 from a 31.5 reading in January. The Bundesbank stated yesterday that it expects positive growth this quarter on the back of strong confidence and the strengthening global economy. German GDP fell 0.6 percent in the last quarter of 2012, more than the consensus forecast. For the coming year the German central bank expects GDP to grow 0.4 percent, slightly higher than the European Central Bank's estimate of 0.3 percent for the Eurozone as a whole. Mario Draghi, the ECB president, said yesterday that growth in the common currency zone should benefit as monetary stimulus works its ways through the system. A statement from the Bundesbank released yesterday reads, "For the first quarter of 2013 an expansion of overall economic output can be expected from today's perspective. For the remainder of the year, a gradual economic recovery in on the cards."

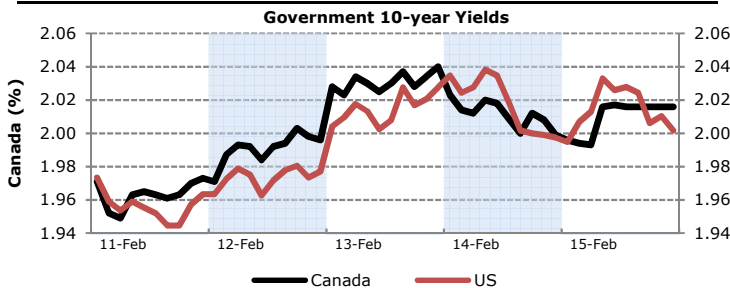
The Daily Roll is written by MFE Candidates Dipanker Koirala and Jan Varsava in partnership with the Rotman Finance Association. Please email dailyroll@economics.utoronto.ca to subscribe/unsubscribe.

Today's Major Economic Releases

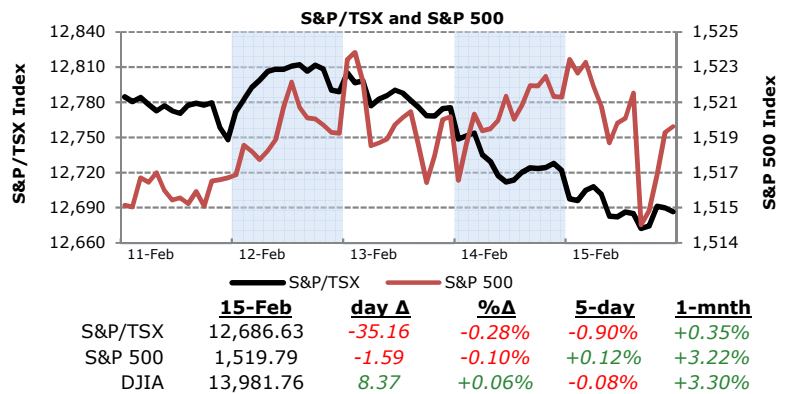
United States	Period	Survey	Actual	Prior
None Scheduled				

Canada	Period	Survey	Actual	Prior
None Scheduled				

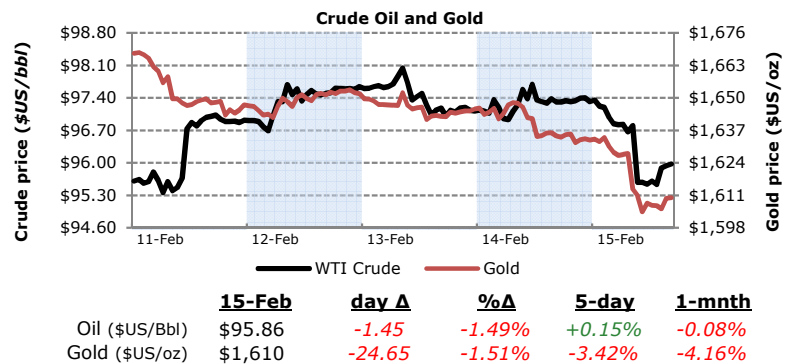
Interest Rates



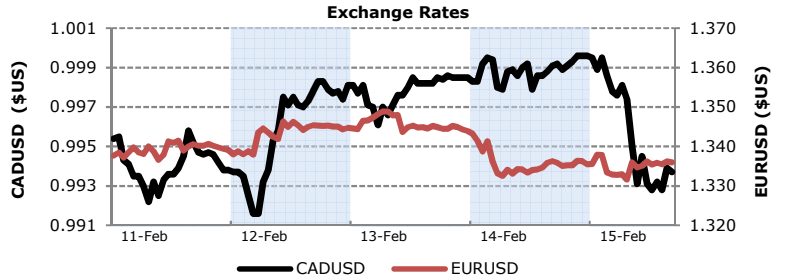
Equities



Commodities



Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	15-Feb	day Δ	Historical levels		
			-5 days	-1 mnth	-1 year
USDCAD	\$1.006	+0.006	1.002	0.986	0.990
EURUSD	\$1.336	-0.000	1.337	1.338	1.333
USDJPY	¥93.50	+0.620	92.680	89.88	81.15

Government 10-year Yields

	15-Feb	day Δ	Historical levels		
			-1 mnth	-3 mnths	-1 year
Canada	2.02%	0.017%	1.89%	1.70%	2.03%
United States	2.00%	0.004%	1.82%	1.58%	1.98%

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>

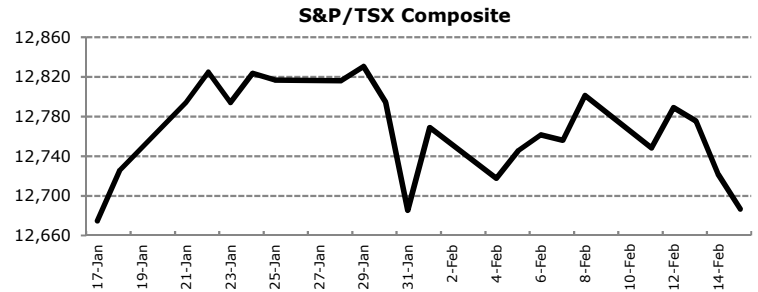
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	15-Feb	day Δ	%Δ
S&P/TSX	12,686.63	-35.16	-0.28%

	Trailing S&P/TSX	TSX 60
5-day	-0.90%	-0.88%
1-month	+0.35%	+0.36%
3-months	+7.41%	+7.73%
6-months	+6.56%	+7.09%
12-months	+2.63%	+3.60%



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+0.59%	+0.66%	+3.11%	+19.14%
C. Staples	+0.39%	-0.71%	+1.78%	+25.42%
Energy	-0.43%	-1.22%	-0.02%	-9.88%
Financials	+0.09%	+0.30%	+2.66%	+12.49%
Healthcare	+0.46%	+0.22%	+4.03%	+13.46%
Info Tech	-0.95%	-4.48%	+3.33%	+12.09%
Industrials	+0.38%	+2.07%	+5.99%	+19.32%
Materials	-2.10%	-4.33%	-7.49%	-17.39%
Metals & Mining	-1.29%	-1.24%	-7.16%	-16.54%
Telecom	+1.79%	+1.87%	+4.45%	+14.92%
Utilities	-0.20%	-2.14%	-2.95%	-0.48%

TSX Top Performers

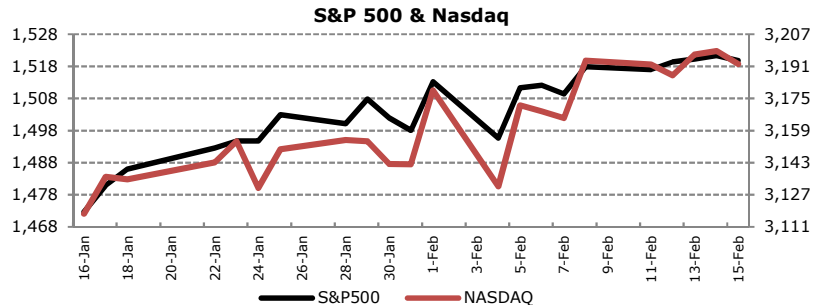
	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Westport Innovations Inc		+8.34%	+11.30%	+18.33%	-29.43%
Trican Well Service Ltd		+5.22%	+4.92%	+12.77%	-2.74%
Industrial Alliance Insur		+5.01%	+4.95%	+13.45%	+43.83%
Fairfax Financial Hldgs L		+4.72%	+4.08%	+3.62%	-9.81%
Cott Corporation		+4.51%	+0.56%	+5.12%	+33.38%

TSX Worst Performers

	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Semafo Inc		-11.15%	-18.95%	-30.00%	-65.68%
Petrobank Energy & Resour		-7.78%	-15.31%	-11.70%	-31.46%
Pretium Resources Inc		-7.54%	-17.89%	-28.74%	-46.18%
Osisko Mining Corp		-6.74%	-9.02%	-25.53%	-50.83%
Endeavour Silver Corp		-6.74%	-11.25%	-21.44%	-39.28%

US Indices

	S&P 500	DJIA	Nasdaq
Trailing 15-Feb	1,519.79	13,981.76	3,192.03
1-day	-0.10%	+0.06%	-0.21%
5-day	+0.12%	-0.08%	-0.06%
1-month	+3.22%	+3.30%	+2.61%
3-months	+12.30%	+11.48%	+12.52%
6-months	+8.13%	+6.21%	+5.32%
12-months	+13.14%	+9.40%	+9.47%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+0.12%	+0.41%	+3.17%	+20.43%
C. Staples	+0.22%	+0.19%	+3.78%	+15.21%
Energy	-1.05%	-0.57%	+4.25%	+5.34%
Financials	-0.32%	+0.88%	+3.59%	+22.93%
Healthcare	+0.22%	+0.00%	+3.81%	+20.37%
Info Tech	-0.12%	-0.38%	+1.65%	+3.84%
Industrials	+0.06%	+1.10%	+4.35%	+12.29%
Materials	-0.08%	-0.28%	+0.54%	+6.92%
Telecom	+0.34%	-1.46%	+2.73%	+17.97%
Utilities	+0.28%	-0.26%	+3.03%	+5.94%

DJIA Top Performers

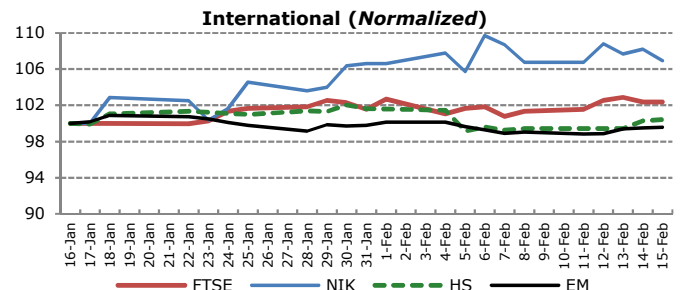
	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Coca-Cola Co/The		+1.57%	-3.48%	+0.27%	+8.68%
Walt Disney Co/The		+1.33%	+1.74%	+8.85%	+33.87%
United Technologies Corp		+1.22%	+0.77%	+5.61%	+9.08%

DJIA Worst Performers

	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Wal-Mart Stores Inc		-2.15%	-3.05%	+0.46%	+11.70%
Hewlett-Packard Co		-1.41%	-0.47%	+1.57%	-43.83%
American Express Co		-1.04%	-0.18%	+1.53%	+16.68%

International Markets

	FTSE 100	Nikkei	Hang Seng	MSCI EM
Trailing Last Close	6,318.19	11,407.87	23,381.94	1,066.52
1-day	-0.16%	+2.09%	-0.27%	+0.06%
5-day	+0.66%	+2.28%	+0.54%	+0.53%
1-month	+2.66%	+4.53%	-0.93%	-0.65%
3-months	+12.71%	+26.41%	+10.51%	+9.46%
6-months	+7.96%	+24.51%	+16.24%	+9.47%
12-months	+7.00%	+21.57%	+8.80%	+0.76%



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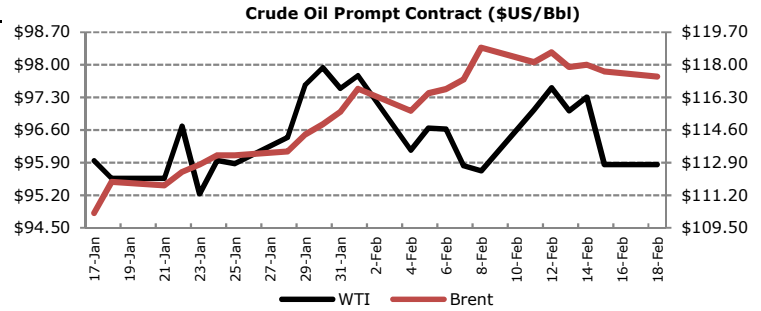
Nymex WTI Crude Oil

(\$US/Bbl)	15-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$95.86	-\$1.45	-1.49%	+0.15%	-0.08%
Cal 13	\$97.17	-\$1.38	-1.40%	-0.07%	+3.24%
Cal 14	\$94.81	-\$0.74	-0.77%	-0.23%	+2.82%

(\$US/bbl)	Q2-13	Q3-13	Q4-13	Q1-14	2014
Consensus Forecast	\$94.00	\$95.50	\$98.00	\$98.50	\$97.00
Current Forward	\$96.89	\$97.73	\$97.33	\$96.36	\$94.81

Inventory Levels (as of Feb-08)

(Mbbbls)	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

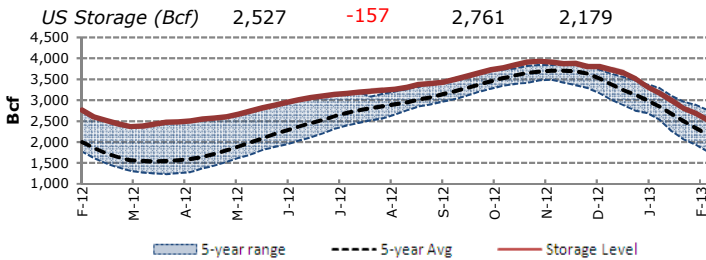


(\$US/Bbl)	15-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$117.66	-\$0.34	-0.29%	-1.04%	+6.70%

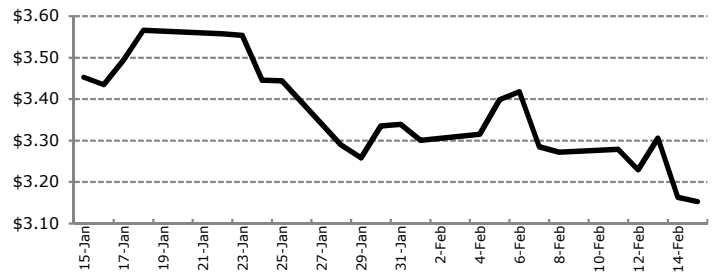
Nymex Natural Gas

(\$US/MMbtu)	15-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$3.15	-\$0.01	-0.32%	-3.64%	-8.21%
Apr13-Oct13	\$3.37	-\$0.02	-0.49%	-3.54%	-3.16%
Nov13-Mar14	\$3.82	-\$0.02	-0.64%	-2.85%	-2.53%
Apr14-Oct14	\$3.89	-\$0.02	-0.58%	-1.80%	-1.52%
Nov14-Mar15	\$4.25	-\$0.02	-0.51%	-1.44%	-0.44%

Inventory Levels (as of Feb-08)



Nat Gas Prompt (\$US/MMbtu)

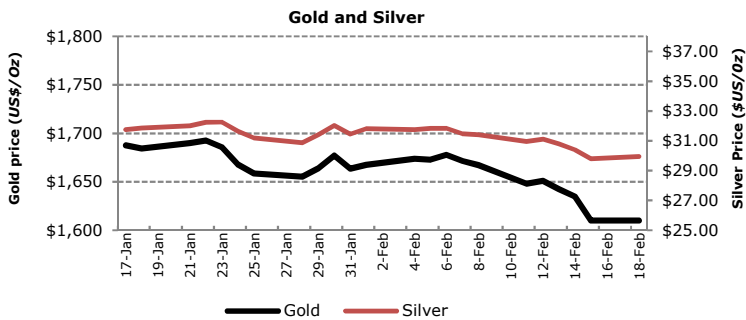


Alberta Natural Gas

(\$CAD/GJ)	15-Feb	day Δ	%Δ
AECO Mar-13	\$2.74	+\$0.00	+0.0%

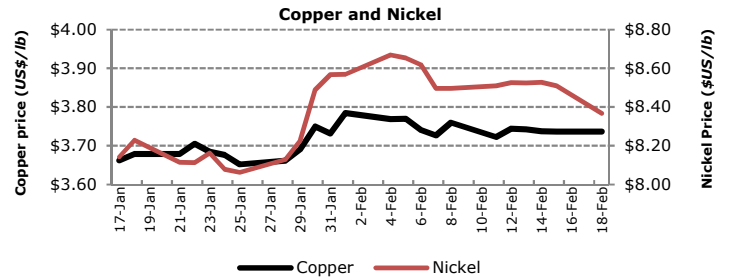
Precious Metals

\$US/oz	15-Feb	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,610.10	-\$24.65	-1.5%	-3.4%	-4.2%	-6.0%
Silver	\$29.80	-\$0.60	-2.0%	-5.1%	-5.3%	-7.8%
Platinum	\$1,682	-\$28.75	-1.7%	-2.0%	-0.4%	+7.8%



Industrial Metals

\$US/lb	15-Feb	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.74	-\$0.00	-0.0%	-0.6%	+3.6%	+8.3%
Nickel	\$8.51	-\$0.02	-0.2%	+0.2%	+5.1%	+14.3%
Zinc	\$1.07	+\$0.00	+0.1%	+0.5%	+10.7%	+13.2%
Aluminum	\$0.97	+\$0.01	+1.0%	+3.2%	+6.6%	+11.5%
Uranium	\$43.15	+\$0.00	0.0%	-0.6%	+2.1%	+4.6%



Agriculture & Other

	15-Feb	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$6.97	+\$0.04	+0.6%	-1.7%	-4.7%
Wheat (\$US/bu)	\$7.49	+\$0.08	+1.1%	-1.8%	-5.7%
Soybeans (\$US/bu)	\$14.15	+\$0.06	+0.4%	-1.5%	-0.5%
Rough Rice (\$US/cwt)	\$15.84	+\$0.12	+0.7%	-3.1%	+4.5%
Sugar #11 (¢US/lb)	¢17.74	¢0.03	-0.2%	-2.5%	-5.0%
Lean Hogs (¢US/lb)	¢84.25	¢0.08	-0.1%	-2.2%	-3.6%
Live Cattle (¢US/lb)	¢130.45	¢0.67	+0.5%	+0.2%	-1.7%
Cotton No.2 (\$US/lb)	\$0.83	+\$0.00	+0.5%	-0.1%	+7.0%
Lumber (\$US/Mbft)	\$399.70	+\$5.80	+1.5%	+3.1%	+7.4%

Commodity ETFs

	15-Feb	day Δ	%Δ	5-day	1-mnth
\$CAD					
HBP Crude Oil U	\$4.73	-\$0.14	-2.9%	+0.0%	+0.0%
HBP Nat Gas U	\$10.27	-\$0.09	-0.9%	-6.1%	-18.6%
HBP Comex Gold	\$15.97	-\$0.29	-1.8%	-3.8%	-5.0%
\$USD					
US Crude Oil	\$35.27	+\$0.00	+0.0%	1.64%	+2.9%
US Nat Gas	\$17.84	+\$0.00	+0.0%	-2.83%	-6.0%
PSDB Agriculture	\$26.54	+\$0.00	+0.0%	-1.70%	-4.8%
PSDB Base Metals	\$19.74	+\$0.00	+0.0%	0.15%	+4.9%

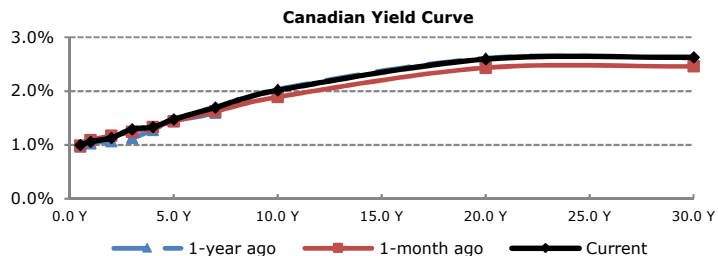
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Interest Rates

Canadian yield curve

	15-Feb	day Δ	-1 mnth	-3 mnths	-1 year
3-mnth	0.94%	-	0.92%	0.97%	0.93%
6-mnth	1.00%	-	0.99%	1.01%	0.97%
12-mnth	1.06%	-0.00%	1.09%	1.06%	1.03%
2-year	1.13%	+0.00%	1.17%	1.07%	1.07%
5-year	1.48%	+0.01%	1.44%	1.29%	1.44%
10-year	2.02%	+0.02%	1.89%	1.70%	2.03%
20-year	2.59%	+0.02%	2.43%	2.25%	2.61%
30-year	2.63%	+0.02%	2.46%	2.29%	2.62%

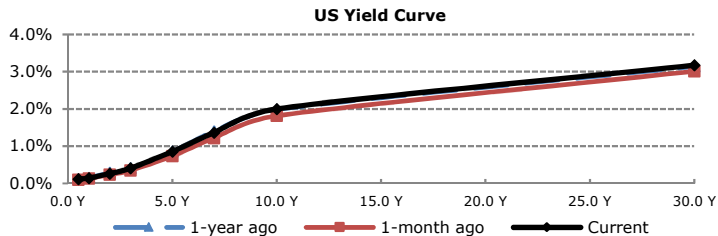
Historical Levels



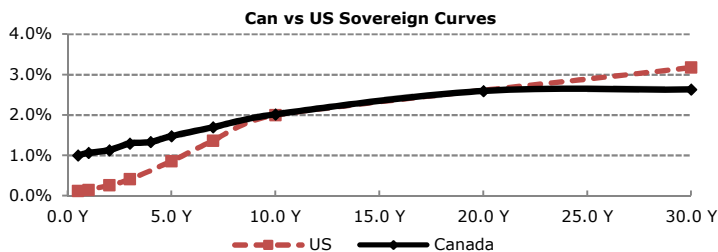
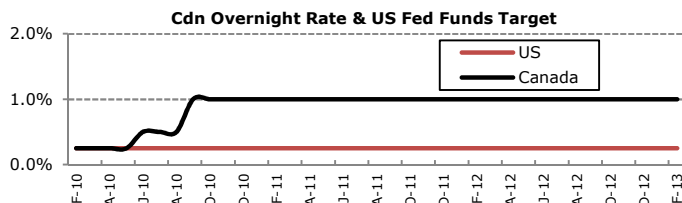
US yield curve

	15-Feb	day Δ	-1 mnth	-3 mnths	-1 year
3-mnth	0.10%	-	0.07%	0.08%	0.10%
6-mnth	0.12%	-	0.10%	0.13%	0.12%
12-mnth	0.15%	-	0.14%	0.17%	0.15%
2-year	0.27%	+0.00%	0.24%	0.24%	0.29%
5-year	0.86%	+0.01%	0.74%	0.61%	0.86%
10-year	2.00%	+0.00%	1.82%	1.58%	1.98%
30-year	3.18%	-0.00%	3.01%	2.73%	3.14%

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	15-Feb	day Δ	-1 mnth	-3 mnths	-1 year
USDCAD	\$1.006	+0.006		0.986	1.001	0.990
EURUSD	\$1.336	-0.000		1.338	1.274	1.333
USDJPY	¥93.50	+0.620		89.88	81.32	81.15
GBPUSD	\$1.552	+0.002		1.599	1.588	1.592
AUDUSD	\$1.031	-0.005		1.055	1.034	1.073

	Spot	15-Feb	day Δ	-1 mnth	-3 mnths	-1 year
CADJPY	¥92.91	+0.136		91.17	81.21	81.97
CADAUD	\$0.964	+0.000		0.962	0.966	0.941
GBPUSD	£1.562	+0.011		1.577	1.590	1.576
EURJPY	¥124.96	+0.850		120.21	103.60	108.13
EURAUD	\$1.30	+0.007		1.27	1.23	1.24

Economic Releases

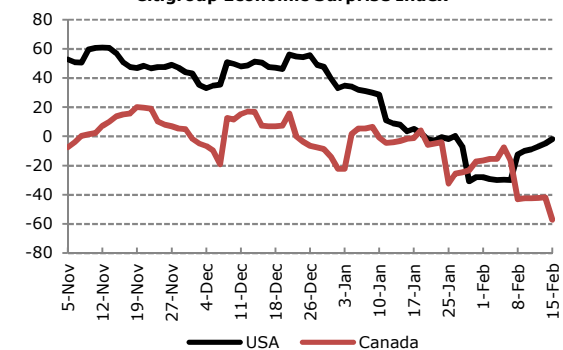
United States

	Period	Survey	Actual	Prior	
Wed, Feb 20	Housing Starts	31-Jan	920K	--	954K
Wed, Feb 20	Producer Price Index (MoM)	31-Jan	0.4%	--	-0.2%
Thu, Feb 21	Leading Indicators	31-Jan	0.2%	--	0.5%
Thu, Feb 21	Existing Home Sales	31-Jan	4.9M	--	4.94M
Thu, Feb 21	Continuing Claims	9-Feb	3150K	--	3114K
Thu, Feb 21	Initial Jobless Claims	16-Feb	355K	--	366K
Thu, Feb 21	Consumer Price Index (MoM)	31-Jan	0.1%	--	0%

Canada

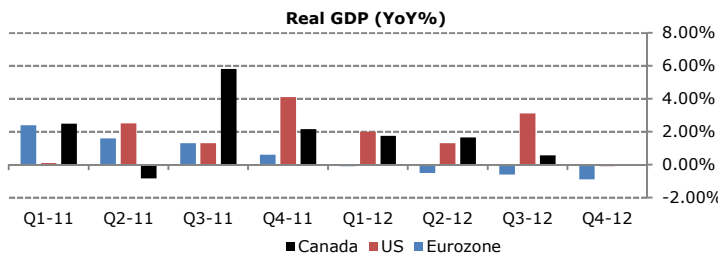
	Period	Survey	Actual	Prior	
Fri, Feb 22	BOC CPI Core (YoY)	31-Jan	1.1%	--	1.1%
Fri, Feb 22	Retail Sales (MoM)	31-Dec	-0.4%	--	0.2%
Fri, Feb 22	Consumer Price Index	31-Jan	0.7%	--	0.8%

Citigroup Economic Surprise Index



Economics

	Q1-12	Q2-12	Q3-12	Q4-12	2013E
Canada					
Real GDP	1.74%	1.65%	0.57%	NA	1.80%
CPI	2.33%	1.57%	1.23%	0.93%	1.45%
Unemployment	7.20%	7.20%	7.30%	7.10%	7.15%
US					
Real GDP	2.00%	1.30%	3.10%	-0.10%	1.80%
CPI	2.83%	1.90%	1.70%	1.90%	1.80%
Unemployment	8.20%	8.20%	7.80%	7.80%	7.70%
China					
Real GDP	8.10%	7.60%	7.40%	7.90%	8.10%



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