

## Today's Commentary

U.S. and Canadian markets added to the previous day's losses on Thursday, as the S&P/TSX composite fell 0.58 percent and the S&P 500 and Nasdaq dropped 0.63 and 1.04 percent respectively. However, losses were mitigated by a brief rally in the last two hours of trading, suggesting that there is still some investor interest in buying the dips. Energy and financial stocks led the decline in Canada, sending the benchmark index to a five-week low. Macroeconomic worries dragged oil prices to a three-week low, as purchasing managers' data in the euro zone indicated a widening gap in business growth between France and Germany. Last week's U.S. initial unemployment claims rose unexpectedly, casting doubt on the American economic recovery as well.

German business confidence rose sharply to 107.4 from 104.3, the consensus forecast was for a rise to 104.9. It was the biggest increase since July 2010 and the fourth straight monthly increase and indicates that the German economy is gaining steam. The Bundesbank said this week that it expects the economy to return to growth in the current quarter after shrinking 0.6 in the fourth quarter of 2012. Investor confidence in the euro zone's largest economy is also at the highest in three years. However, the German confidence numbers contrasts starkly with the PMI released from France yesterday, which was down sharply into very contractionary territory. With weakness in France, and as countries like Spain and Italy struggle with contracting GDP, the European Central Bank predicts that the euro zone economy will contract 0.3 percent this year. The Bundesbank, on the other hand, predicts 0.4 percent growth for the German economy.

The Bank of Canada named Larry Schembri the newest deputy governor on its rate-setting council on Thursday, while the replacement for Governor Mark Carney has yet to be named. Schembri has considerable experience in the Bank of Canada where he has worked closely with the Financial Stability Board of the Group of 20 leading economies. According to Carney, "Larry's expertise of monetary theory and policy in open economies, and profound understanding of the international monetary system make him an exceptional addition to governing council." Senior deputy governor Tiff Macklem is the front runner for Carney's job once he leaves for the Bank of England this summer, but the Bank of Canada's board of directors is still in the process of identifying candidates.

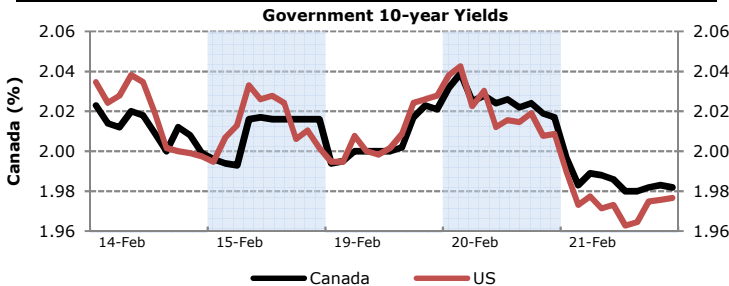
The Daily Roll is written by MFE Candidates Dipanker Koirala and Jan Varsava in partnership with the Rotman Finance Association. Please email [dailyroll@economics.utoronto.ca](mailto:dailyroll@economics.utoronto.ca) to subscribe/unsubscribe.

## Today's Major Economic Releases

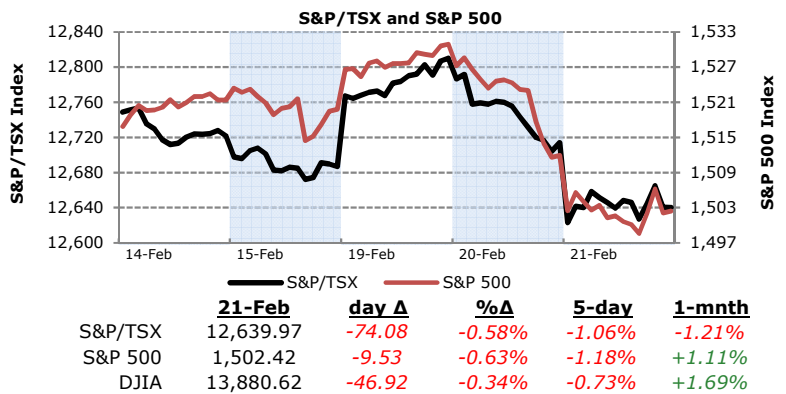
United States	Period	Survey	Actual	Prior
None Scheduled				

Canada	Period	Survey	Actual	Prior
BOC CPI Core (YoY)	31-Jan	1%	--	1.1%
Retail Sales (MoM)	31-Dec	-0.3%	--	0.2%
Consumer Price Index	31-Jan	0.6%	--	0.8%

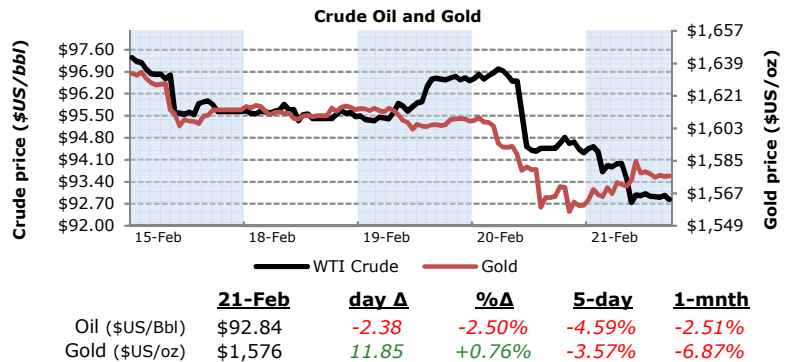
## Interest Rates



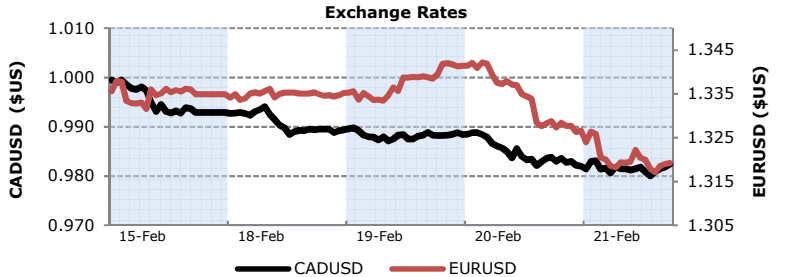
## Equities



## Commodities



## Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	21-Feb	day Δ	Historical levels		
			-5 days	-1 mnth	-1 year
USDCAD	\$1.019	+0.002	1.002	0.992	0.995
EURUSD	\$1.319	-0.009	1.345	1.332	1.322
USDJPY	¥93.11	-0.460	93.390	88.71	81.56

Government 10-year Yields

	21-Feb	day Δ	Historical levels		
			-1 mnth	-3 mnths	-1 year
Canada	1.98%	-0.035%	1.91%	1.79%	2.06%
United States	1.98%	-0.032%	1.84%	1.69%	2.00%

## 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.

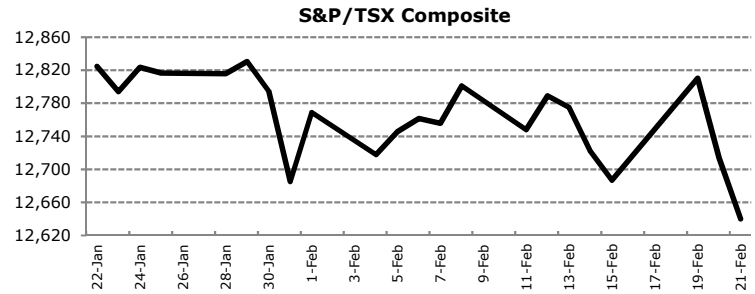
<http://www.rotman.utoronto.ca/financeassociation>

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>21-Feb</b>	<b>day Δ</b>	<b>%Δ</b>
<b>S&amp;P/TSX</b>	12,639.97	-74.08	-0.58%
<b>Trailing S&amp;P/TSX</b>			
5-day		-1.06%	-0.91%
1-month		-1.21%	-1.11%
3-months		+4.46%	+4.86%
6-months		+4.32%	+5.05%
12-months		+0.13%	+1.27%



### TSX Sector Returns

	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
C. Discretionary	-1.60%	-0.01%	-0.13%	+16.07%
C. Staples	+0.02%	+0.26%	+2.47%	+25.10%
Energy	-1.21%	-2.84%	-1.92%	-13.33%
Financials	-0.53%	+0.69%	+1.79%	+11.82%
Healthcare	-0.94%	-0.36%	+4.46%	+15.00%
Info Tech	-0.76%	-0.82%	-3.64%	+10.06%
Industrials	-1.72%	-0.83%	+3.08%	+16.72%
Materials	+0.09%	-5.19%	-10.69%	-23.31%
Metals & Mining	-2.47%	-7.79%	-13.33%	-24.39%
Telecom	+0.22%	+2.73%	+3.99%	+15.81%
Utilities	+0.99%	+0.44%	-2.41%	+0.64%

### TSX Top Performers

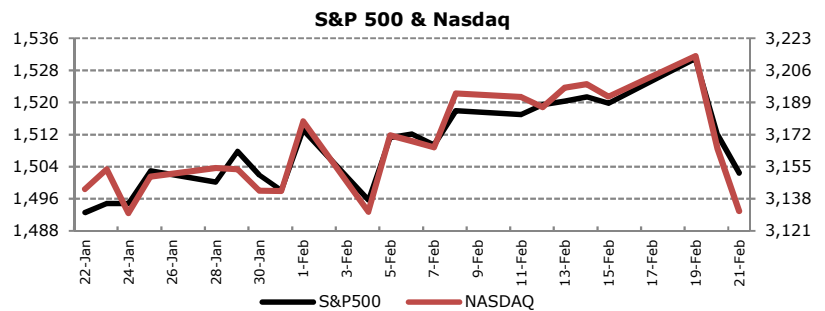
<i>Ranked by 1-day</i>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Banro Corporation	+6.67%	-2.29%	-9.86%	-53.11%
Semafo Inc	+6.44%	-4.25%	-25.53%	-64.57%
Alacer Gold Corp	+6.40%	-12.09%	-25.11%	-63.49%
Pan American Silver Corp	+6.30%	-2.14%	-8.06%	-33.10%
Premier Gold Mines Ltd	+6.12%	-8.67%	-25.51%	-48.25%

### 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>
Bombardier Inc-B	-9.11%	-4.42%	-7.38%	-17.76%
Hudbay Minerals Inc	-7.15%	-14.53%	-17.04%	-23.98%
Niko Resources Ltd	-6.62%	-22.10%	-27.91%	-84.57%
Gibson Energy Inc	-5.91%	-3.24%	+2.82%	+16.75%
Colossus Minerals Inc	-5.14%	-19.18%	-36.83%	-58.68%

### US Indices

<i>Trailing</i>	<b>S&amp;P 500</b>	<b>DJIA</b>	<b>Nasdaq</b>
21-Feb	1,502.42	13,880.62	3,131.49
1-day	-0.63%	-0.34%	-1.04%
5-day	-1.18%	-0.73%	-2.05%
1-month	+1.11%	+1.69%	-0.10%
3-months	+8.01%	+8.13%	+7.00%
6-months	+6.32%	+5.13%	+2.09%
12-months	+10.29%	+7.06%	+6.20%



### S&P 500 Sector Returns

	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
C. Discretionary	-0.86%	-1.85%	+0.08%	+16.81%
C. Staples	+0.28%	+1.55%	+4.13%	+16.26%
Energy	-0.67%	-1.88%	+0.91%	+1.53%
Financials	-0.88%	-1.47%	+1.91%	+18.61%
Healthcare	-0.43%	-0.04%	+2.26%	+20.27%
Info Tech	-0.90%	-1.91%	-0.99%	-0.05%
Industrials	-0.87%	-1.16%	+1.37%	+9.00%
Materials	-0.93%	-4.62%	-4.29%	+0.06%
Telecom	+0.18%	-1.10%	+3.27%	+16.53%
Utilities	-0.45%	-0.40%	+2.50%	+5.39%

### DJIA Top Performers

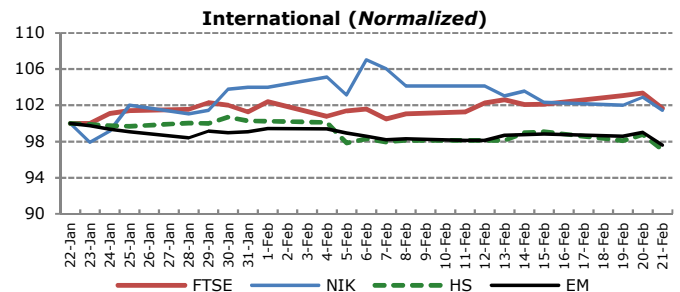
<i>Ranked by 1-day</i>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Hewlett-Packard Co	+2.40%	+0.53%	-0.06%	-40.91%
Boeing Co/The	+1.64%	+1.64%	+1.29%	-0.07%
Wal-Mart Stores Inc	+1.52%	-1.58%	+1.53%	+19.90%

### 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>
Bank Of America Corp	-3.22%	-6.16%	+2.51%	+43.65%
Home Depot Inc	-3.10%	-4.55%	-1.66%	+38.24%
Intel Corp	-2.32%	-4.71%	-4.71%	-24.24%

### International Markets

<i>Trailing</i>	<b>FTSE 100</b>	<b>Nikkei</b>	<b>Hang Seng</b>	<b>MSCI EM</b>
Last Close	6,291.54	11,309.13	22,906.67	1,053.14
1-day	-1.62%	-1.39%	-1.72%	-1.43%
5-day	-0.57%	+0.02%	-2.16%	-1.10%
1-month	+1.79%	+5.22%	-2.90%	-2.55%
3-months	+9.38%	+22.63%	+6.42%	+7.37%
6-months	+7.41%	+23.50%	+13.96%	+7.96%
12-months	+6.13%	+19.51%	+6.65%	-1.06%



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.**

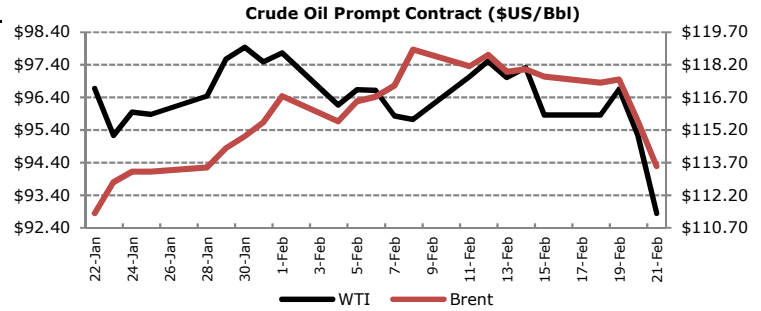
### Nymex WTI Crude Oil

(\$US/Bbl)	21-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$92.84	-\$2.38	-2.50%	-4.59%	-2.51%
Cal 13	\$93.66	-\$2.33	-2.43%	-4.86%	-1.42%
Cal 14	\$91.65	-\$2.01	-2.15%	-3.80%	-1.39%

(\$US/bbl)	Q3-13	Q4-13	Q1-14	Q2-14	2014
Consensus Forecast	\$95.50	\$98.00	\$98.50	\$101.00	\$97.00
Current Forward	\$94.04	\$93.70	\$92.88	\$92.04	\$91.65

### Inventory Levels (as of Feb-15)

(MMbbls)	Current	Week Δ	Last Yr	5 Yr. Avg
Crude Oil	376,388	+4,143	337,426	319,411
Motor Gas	230,352	-2,884	214,389	200,481
Distillates	123,627	-2,277	171,756	140,851

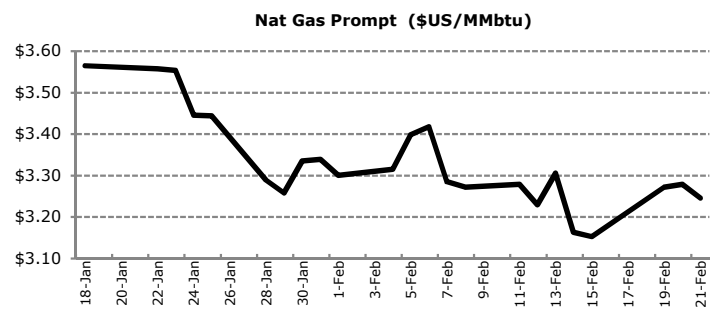
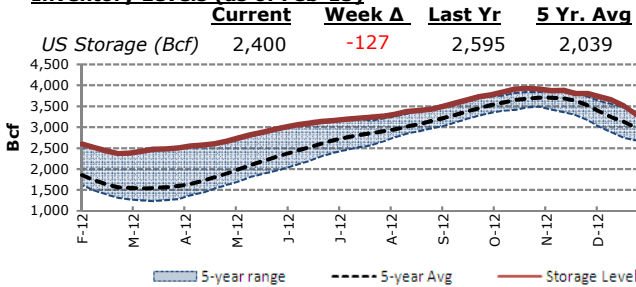


(\$US/Bbl)	21-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$113.53	-\$2.07	-1.82%	-3.79%	+0.65%

### Nymex Natural Gas

(\$US/MMbtu)	21-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$3.25	-\$0.03	-1.01%	-1.81%	-8.77%
Apr13-Oct13	\$3.44	-\$0.03	-0.83%	-2.19%	+0.96%
Nov13-Mar14	\$3.85	-\$0.03	-0.78%	-2.40%	-0.06%
Apr14-Oct14	\$3.91	-\$0.03	-0.79%	-2.04%	+0.10%
Nov14-Mar15	\$4.26	-\$0.03	-0.71%	-1.90%	+0.74%

### Inventory Levels (as of Feb-15)

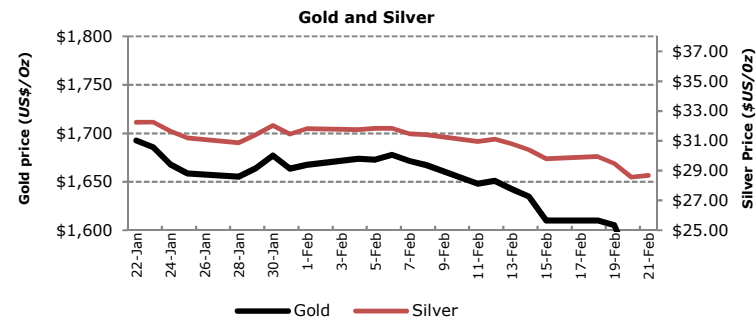


### Alberta Natural Gas

(\$CAD/GJ)	21-Feb	day Δ	%Δ
AECO Mar-13	\$2.83	-\$0.06	-2.1%

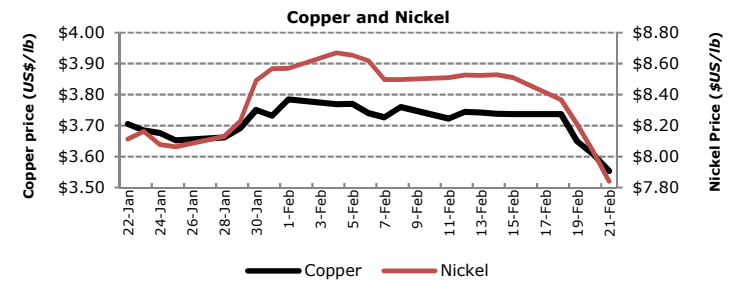
### Precious Metals

\$US/oz	21-Feb	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,576.40	+\$11.85	+0.8%	-3.6%	-6.9%	-10.1%
Silver	\$28.68	+\$0.11	+0.4%	-5.7%	-11.0%	-15.9%
Platinum	\$1,614	-\$32.50	-2.0%	-5.6%	-4.8%	-0.3%



### Industrial Metals

\$US/lb	21-Feb	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.55	-\$0.06	-1.5%	-4.9%	-4.1%	+0.7%
Nickel	\$7.84	-\$0.19	-2.4%	-8.1%	-3.4%	+1.2%
Zinc	\$1.03	-\$0.02	-2.2%	-3.4%	+2.7%	+8.2%
Aluminum	\$0.93	-\$0.01	-1.1%	-3.1%	+2.2%	+5.7%
Uranium	\$41.75	-\$1.00	-2.3%	-3.2%	-1.8%	0.0%



### Agriculture & Other

	21-Feb	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$6.86	-\$0.11	-1.5%	-1.0%	-6.1%
Wheat (\$US/bu)	\$7.24	-\$0.21	-2.9%	-2.2%	-8.2%
Soybeans (\$US/bu)	\$14.71	+\$0.02	+0.1%	+4.4%	+2.2%
Rough Rice (\$US/cwt)	\$16.14	-\$0.20	-1.2%	+0.8%	+2.7%
Sugar #11 (¢US/lb)	¢17.90	¢0.23	-1.3%	+0.7%	-1.9%
Lean Hogs (¢US/lb)	¢82.38	¢0.58	-0.7%	-2.3%	-6.7%
Live Cattle (¢US/lb)	¢127.83	¢0.40	-0.3%	-1.5%	-2.0%
Cotton No.2 (\$US/lb)	\$0.83	-\$0.01	-1.5%	+0.5%	+3.9%
Lumber (\$US/Mbft)	\$383.80	-\$2.40	-0.6%	-2.6%	+9.2%

### Commodity ETFs

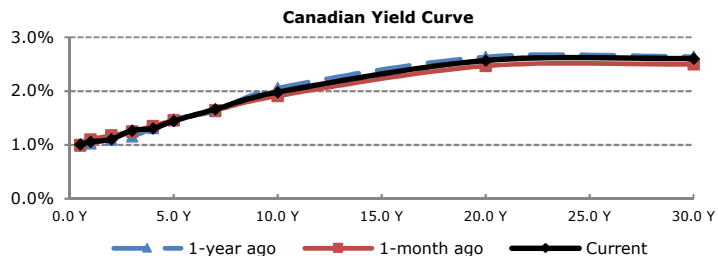
	21-Feb	day Δ	%Δ	5-day	1-mnth
<b>\$CAD</b>					
HBP Crude Oil U	\$4.39	-\$0.18	-3.9%	-9.7%	-8.9%
HBP Nat Gas U	\$10.73	-\$0.17	-1.6%	-3.9%	-18.0%
HBP Comex Gold	\$15.66	+\$0.13	+0.8%	-4.2%	-7.0%
<b>\$USD</b>					
US Crude Oil	\$33.43	-\$0.74	-2.2%	-5.00%	-3.9%
US Nat Gas	\$18.15	-\$0.17	-0.9%	-2.00%	-9.7%
PSDB Agriculture	\$26.31	-\$0.21	-0.8%	-1.46%	-5.6%
PSDB Base Metals	\$18.90	-\$0.22	-1.2%	-4.11%	-0.1%

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

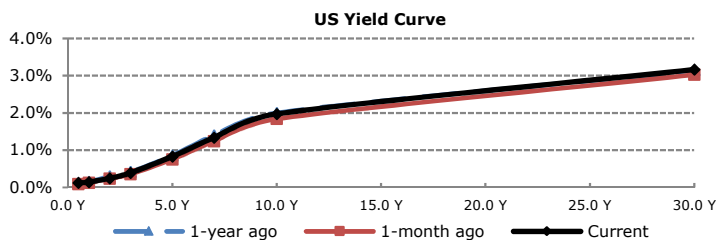
### Canadian yield curve

	<b>21-Feb</b>	<b>day Δ</b>	<i>Historical Levels</i>		
			<b>-1 mnth</b>	<b>-3 mnths</b>	<b>-1 year</b>
3-mnth	0.95%	-	0.92%	0.96%	0.94%
6-mnth	1.01%	-	1.00%	1.02%	0.99%
12-mnth	1.06%	-0.01%	1.10%	1.07%	1.03%
2-year	1.11%	-0.02%	1.18%	1.12%	1.10%
5-year	1.45%	-0.02%	1.46%	1.37%	1.48%
10-year	1.98%	-0.04%	1.91%	1.79%	2.06%
20-year	2.57%	-0.03%	2.47%	2.32%	2.64%
30-year	2.61%	-0.03%	2.50%	2.36%	2.64%

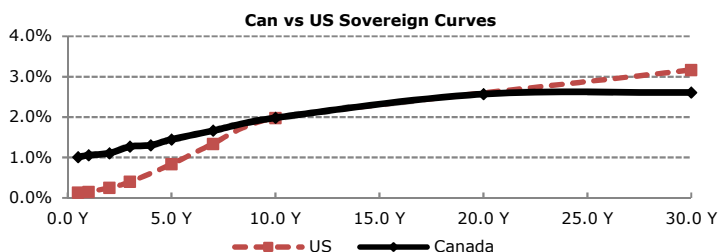
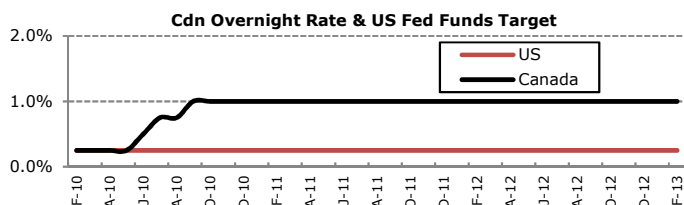


### US yield curve

	<b>21-Feb</b>	<b>day Δ</b>	<i>Historical Levels</i>		
			<b>-1 mnth</b>	<b>-3 mnths</b>	<b>-1 year</b>
3-mnth	0.12%	+0.01%	0.06%	0.09%	0.08%
6-mnth	0.13%	-	0.09%	0.13%	0.12%
12-mnth	0.15%	-	0.13%	0.17%	0.15%
2-year	0.25%	-0.01%	0.24%	0.27%	0.30%
5-year	0.84%	-0.02%	0.76%	0.69%	0.86%
10-year	1.98%	-0.03%	1.84%	1.69%	2.00%
30-year	3.17%	-0.03%	3.03%	2.83%	3.15%



	<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>21-Feb</b>	<b>day Δ</b>	<i>Historical Levels</i>		
				<b>-1 mnth</b>	<b>-3 mnths</b>	<b>-1 year</b>
USDCAD	\$1.019	+0.002		0.992	0.996	0.995
EURUSD	\$1.319	-0.009		1.332	1.283	1.322
USDJPY	¥93.11	-0.460		88.71	82.52	81.56
GBPUSD	\$1.525	+0.002		1.584	1.595	1.587
AUDUSD	\$1.025	-0.001		1.057	1.037	1.067

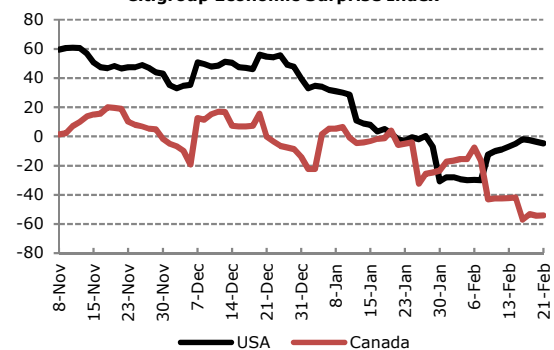
	<b>Spot</b>	<b>21-Feb</b>	<b>day Δ</b>	<i>Historical Levels</i>		
				<b>-1 mnth</b>	<b>-3 mnths</b>	<b>-1 year</b>
CADJPY	¥91.41	-0.616		89.43	82.82	82.00
CADAUD	\$0.958	-0.001		0.954	0.968	0.942
GBP CAD	£1.554	+0.005		1.571	1.589	1.578
EURJPY	¥122.81	-1.470		118.18	105.86	107.79
EURAUD	\$1.29	-0.008		1.26	1.24	1.24

## Economic Releases

### United States

		<b>Period</b>	<b>Survey</b>	<b>Actual</b>	<b>Prior</b>
Wed, Feb 20	Housing Starts	31-Jan	920K	890K	954K
Wed, Feb 20	Producer Price Index (MoM)	31-Jan	0.3%	0.2%	-0.2%
Thu, Feb 21	Leading Indicators	31-Jan	0.2%	0.2%	0.5%
Thu, Feb 21	Existing Home Sales	31-Jan	4.9M	4.92M	4.94M
Thu, Feb 21	Continuing Claims	9-Feb	3150K	3148K	3114K
Thu, Feb 21	Intial Jobless Claims	16-Feb	359K	362K	341K
Thu, Feb 21	Consumer Price Index (MoM)	31-Jan	0.1%	0%	0%

### Citigroup Economic Surprise Index

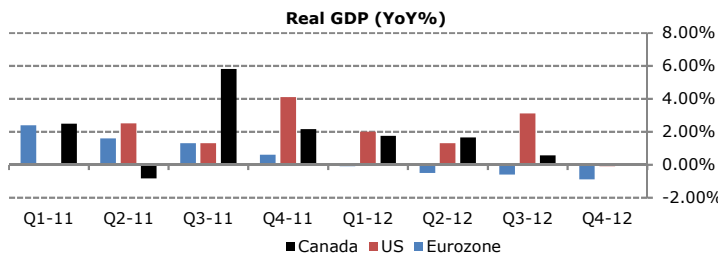


### Canada

		<b>Period</b>	<b>Survey</b>	<b>Actual</b>	<b>Prior</b>
Fri, Feb 22	BOC CPI Core (YoY)	31-Jan	1%	--	1.1%
Fri, Feb 22	Retail Sales (MoM)	31-Dec	-0.3%	--	0.2%
Fri, Feb 22	Consumer Price Index	31-Jan	0.6%	--	0.8%

## 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%	1.45%
Unemployment	7.20%	7.20%	7.30%	7.10%	7.15%
<b>US</b>					
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%
<b>China</b>					
Real GDP	8.10%	7.60%	7.40%	7.90%	8.10%



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.**