

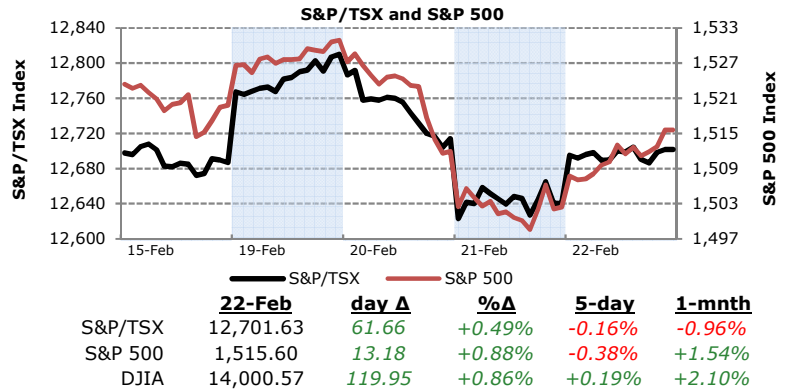
Today's Commentary

Markets reacted positively on Friday to the Federal Reserve's James Bullard, chairman of the St. Louis Fed, who stated that the Fed's easy monetary policy would remain in effect for a "long time." The S&P/TSX composite rose 0.49 percent while the S&P 500 gained 0.88 percent. Gold gained 0.31 percent to \$1,586 an ounce and Brent ended the day up 0.14 percent at \$114.24 pre barrel. Rhetoric around the sequester is heating up as President Obama looks to pressure the Republicans to re-negotiate the deep budget cuts which are currently set to go into effect starting on Friday. The cuts are projected to create a significant drag on the fragile economic recovery and increase the burden American consumers and hit the long term unemployed by reducing their benefit payments. Moody's has stripped Britain of its triple-A rating due to weak economic growth but Finance Minister George Osborne has pledged to continue on with austerity measures. Investors are also closely watching the election in Italy as that country's austerity measures has been a key point of debate in the campaigns leading up to the polls.

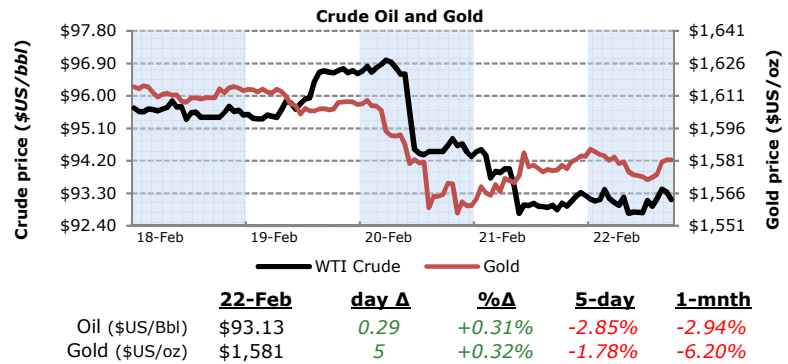
Moody's stripped Britain of its triple-A credit rating on Friday, basing their decision on the country's weak economic growth. Finance Minister George Osborne had promised in 2010 to protect Britain's triple-A rating through fiscal austerity, but the adverse effect on growth has delayed the country's goal of balancing its budget by at least two years. Nevertheless, Osborne is insisting on staying the course, stating that "Tonight we have a stark reminder of the debt problems facing our country and the clearest possible warning to anyone who thinks we can run away from dealing with those problems... Far from weakening our resolve to deliver our economic recovery plan, this decision redoubles it." The news sent the British sterling down about a cent against the USD, as investors speculate that weak growth will lead to additional monetary stimulus from the central bank.

Voting in Italy's parliamentary elections began on Sunday, 15 months after Mario Monti was appointed the leader of a technocratic government. The most recent polls, dated February 8th, showed that the centre-left coalition was slightly ahead of Berlusconi's centre-right alliance, polling is not in the two weeks leading up to the election. Mr. Berlusconi has campaigned on cutting taxes and reversing some austerity measures enacted by Mr. Monti. A Berlusconi victory could spark a bond market sell off and renew concerns about the euro if the election brings about an unstable government. The yield on Italy's ten year debt has fallen to around 4.43 percent from over 6 percent last year, largely due to the announcement of Outright Monetary Transactions by the European Central Bank and austerity measures implemented during Mr. Monti's leadership. Results are expected Monday night or Tuesday morning.

Equities



Commodities

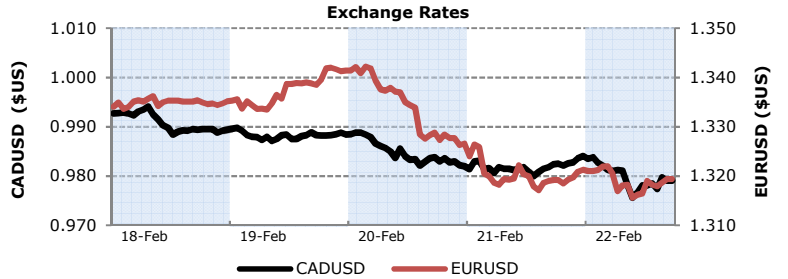


Today's Major Economic Releases

United States	Period	Survey	Actual	Prior
None Scheduled				

Canada	Period	Survey	Actual	Prior
None Scheduled				

Foreign Exchange



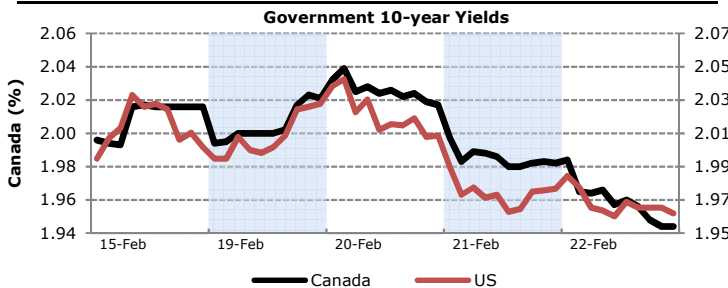
(USDCAD implies \$1-USD to CAD)

Spot	22-Feb	day Δ	Historical levels		
			-5 days	-1 mnth	-1 year
USDCAD	\$1.022	+0.003	1.001	0.999	1.002
EURUSD	\$1.319	+0.000	1.336	1.332	1.311
USDJPY	¥93.42	+0.310	92.880	88.61	80.89

Government 10-year Yields

	22-Feb	day Δ	Historical levels		
			-1 mnth	-3 mnths	-1 year
Canada	1.94%	-0.038%	1.88%	1.79%	2.05%
United States	1.96%	-0.015%	1.82%	1.69%	2.00%

Interest Rates



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.

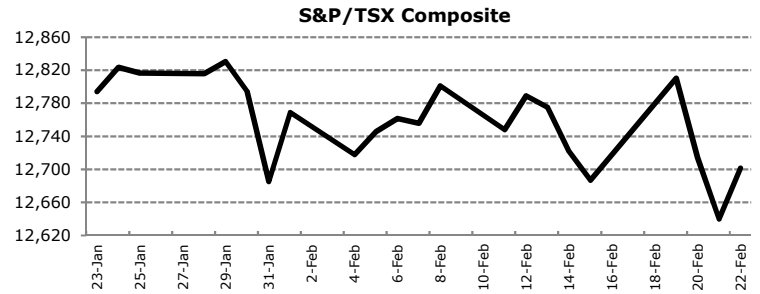
<http://www.rotman.utoronto.ca/financeassociation>

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	22-Feb	day Δ	%Δ
S&P/TSX	12,701.63	61.66	+0.49%
Trailing S&P/TSX			
5-day	-0.16%	-0.04%	
1-month	-0.96%	-0.90%	
3-months	+4.51%	+4.80%	
6-months	+4.81%	+5.53%	
12-months	+0.00%	+1.01%	



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+0.63%	+0.48%	+0.67%	+16.03%
C. Staples	+0.29%	+1.03%	+2.83%	+24.72%
Energy	+1.21%	-0.07%	-1.16%	-13.02%
Financials	+0.49%	+1.38%	+2.07%	+12.72%
Healthcare	+0.53%	+1.23%	+5.36%	+14.55%
Info Tech	-0.38%	-2.41%	-4.16%	+9.35%
Industrials	+0.59%	-0.18%	+3.93%	+17.54%
Materials	-0.17%	-5.50%	-11.74%	-24.83%
Metals & Mining	+1.16%	-6.83%	-12.68%	-24.32%
Telecom	+0.50%	+3.33%	+4.85%	+15.01%
Utilities	+0.92%	+2.42%	-1.60%	+1.50%

TSX Top Performers

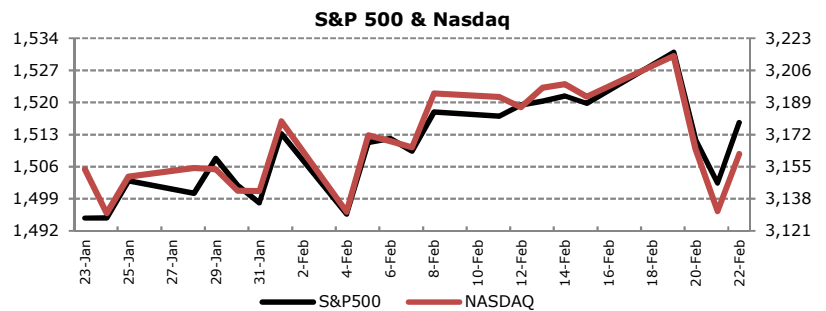
<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Semafo Inc	+12.90%	+7.69%	-18.37%	-59.36%
Osisko Mining Corp	+7.08%	-2.82%	-18.42%	-50.36%
Oceanagold Corp	+5.73%	-10.78%	-15.49%	-11.11%
Lundin Mining Corp	+5.65%	-5.45%	-6.54%	-4.14%
Alamos Gold Inc	+5.61%	-0.34%	-9.09%	-27.86%

TSX Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Centerra Gold Inc	-8.94%	-11.94%	-26.04%	-67.74%
Chorus Aviation Inc - B	-6.67%	-8.84%	-7.11%	+3.16%
Agrium Inc	-5.16%	-7.08%	-5.83%	+22.31%
Research In Motion	-4.60%	-10.43%	-24.01%	-8.11%
Iamgold Corp	-4.59%	-9.98%	-30.58%	-57.20%

US Indices

<i>Trailing</i>	S&P 500	DJIA	Nasdaq
22-Feb	1,515.60	14,000.57	3,161.82
1-day	+0.88%	+0.86%	+0.97%
5-day	-0.38%	+0.19%	-1.15%
1-month	+1.54%	+2.10%	+0.59%
3-months	+8.96%	+9.07%	+8.04%
6-months	+7.22%	+6.28%	+2.87%
12-months	+11.63%	+8.21%	+7.80%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+0.58%	-1.29%	+0.44%	+17.94%
C. Staples	+0.52%	+1.92%	+4.71%	+17.10%
Energy	+0.95%	-1.47%	+0.98%	+2.29%
Financials	+1.23%	-0.57%	+2.24%	+21.62%
Healthcare	+0.36%	+0.14%	+2.34%	+20.69%
Info Tech	+1.24%	-0.78%	+0.08%	+1.65%
Industrials	+0.78%	-0.50%	+1.78%	+9.95%
Materials	+1.25%	-3.03%	-3.96%	+1.59%
Telecom	+0.80%	+1.75%	+3.37%	+18.03%
Utilities	+1.06%	+1.57%	+2.75%	+6.32%

DJIA Top Performers

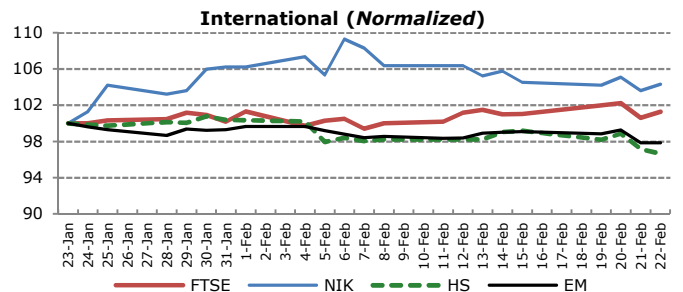
<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Hewlett-Packard Co	+12.28%	+12.74%	+11.30%	-29.02%
Coca-Cola Co/The	+2.15%	+4.56%	+3.74%	+11.36%
Home Depot Inc	+1.86%	-2.61%	-0.26%	+39.68%

DJIA Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Unitedhealth Group Inc	-1.39%	-4.52%	-2.77%	-0.86%
Johnson & Johnson	-0.81%	+0.58%	+4.90%	+17.13%
Alcoa Inc	-0.23%	-7.00%	-6.09%	-17.40%

International Markets

<i>Trailing</i>	FTSE 100	Nikkei	Hang Seng	MSCI EM
Last Close	6,335.70	11,385.94	22,782.44	1,053.39
1-day	+0.70%	+0.68%	-0.54%	+0.02%
5-day	+0.12%	+1.90%	-2.82%	-1.17%
1-month	+2.53%	+6.31%	-3.70%	-2.38%
3-months	+9.41%	+21.56%	+4.78%	+7.40%
6-months	+9.72%	+24.69%	+14.55%	+8.66%
12-months	+7.08%	+19.17%	+5.72%	-1.05%

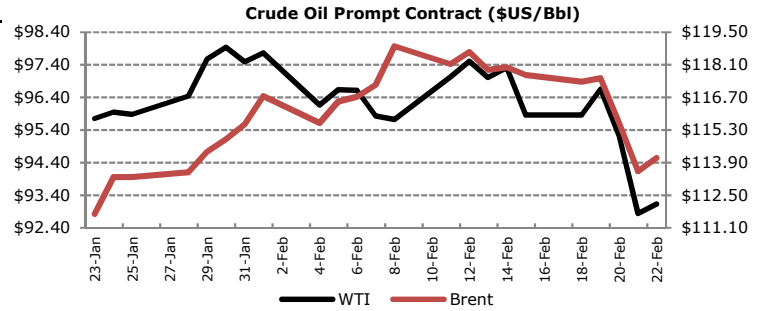


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Nymex WTI Crude Oil

(\$US/Bbl)	22-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$93.13	+\$0.29	+0.31%	-2.85%	-2.94%
Cal 13	\$93.97	+\$0.31	+0.33%	-4.78%	-0.67%
Cal 14	\$91.96	+\$0.31	+0.33%	-3.75%	-0.37%

(\$US/bbl)	Q3-13	Q4-13	Q1-14	Q2-14	2014
Consensus Forecast	\$95.50	\$98.00	\$98.50	\$101.00	\$98.00
Current Forward	\$94.36	\$94.01	\$93.17	\$92.33	\$91.96



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

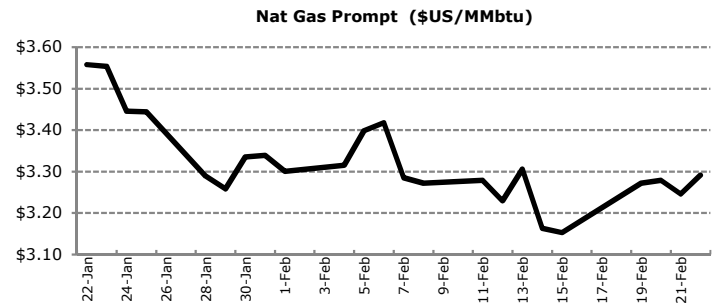
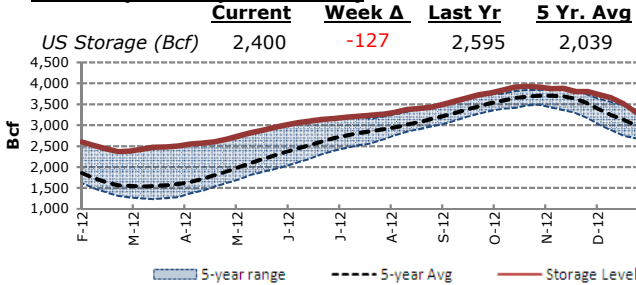
UK Brent Crude Oil

(\$US/Bbl)	22-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$114.10	+\$0.57	+0.50%	-3.03%	+0.72%

Nymex Natural Gas

(\$US/MMbtu)	22-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$3.29	+\$0.04	+1.39%	+4.05%	-7.40%
Apr13-Oct13	\$3.49	+\$0.05	+1.38%	+2.92%	-0.63%
Nov13-Mar14	\$3.89	+\$0.04	+0.95%	+1.29%	-1.04%
Apr14-Oct14	\$3.93	+\$0.02	+0.63%	+0.58%	-0.44%
Nov14-Mar15	\$4.29	+\$0.02	+0.50%	+0.29%	+0.23%

Inventory Levels (as of Feb-15)

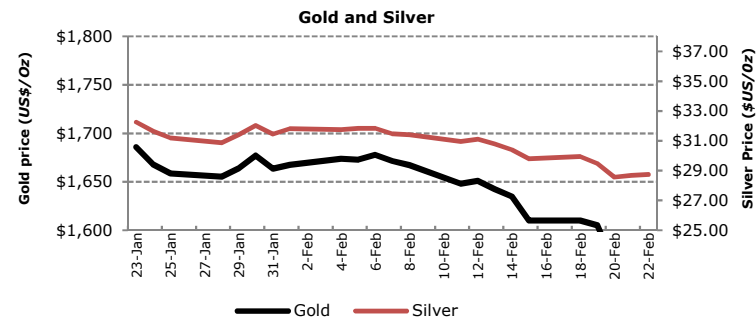


Alberta Natural Gas

(\$CAD/GJ)	22-Feb	day Δ	%Δ
AECO Mar-13	\$2.89	+\$0.06	+2.1%

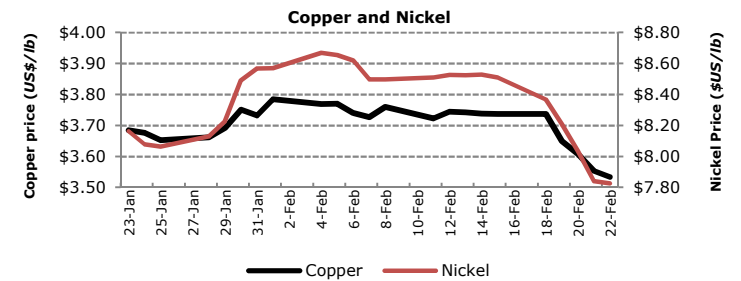
Precious Metals

\$US/oz	22-Feb	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,581.40	+\$5.00	+0.3%	-1.8%	-6.2%	-9.8%
Silver	\$28.74	+\$0.06	+0.2%	-3.6%	-10.9%	-15.7%
Platinum	\$1,609	-\$5.00	-0.3%	-4.3%	-4.6%	-0.6%



Industrial Metals

\$US/lb	22-Feb	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.53	-\$0.02	-0.6%	-5.5%	-4.1%	+0.1%
Nickel	\$7.83	-\$0.01	-0.2%	-8.0%	-4.1%	+1.1%
Zinc	\$1.03	-\$0.00	-0.1%	-3.5%	+0.8%	+8.1%
Aluminum	\$0.92	-\$0.01	-1.1%	-5.2%	-1.1%	+4.5%
Uranium	\$41.75	+\$0.00	0.0%	-3.2%	-1.8%	0.0%



Agriculture & Other

	22-Feb	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$6.84	-\$0.01	-0.2%	-1.8%	-5.3%
Wheat (\$US/bu)	\$7.19	-\$0.05	-0.7%	-4.0%	-8.3%
Soybeans (\$US/bu)	\$14.44	-\$0.27	-1.8%	+2.0%	+1.2%
Rough Rice (\$US/cwt)	\$15.89	-\$0.25	-1.5%	-1.6%	+1.7%
Sugar #11 (¢US/lb)	¢18.15	+¢0.25	+1.4%	+2.3%	-2.1%
Lean Hogs (¢US/lb)	¢81.65	-¢0.72	-0.9%	-3.1%	-7.2%
Live Cattle (¢US/lb)	¢128.23	+¢0.40	+0.3%	-1.7%	-1.7%
Cotton No.2 (\$US/lb)	\$0.83	-\$0.00	-0.1%	-0.1%	+3.1%
Lumber (\$US/Mbft)	\$382.50	-\$1.30	-0.3%	-4.3%	+7.8%

Commodity ETFs

	22-Feb	day Δ	%Δ	5-day	1-mnth
\$CAD					
HBP Crude Oil U	\$4.43	+\$0.04	+0.9%	-9.0%	-5.7%
HBP Nat Gas U	\$10.97	+\$0.24	+2.2%	+5.9%	-16.3%
HBP Comex Gold	\$15.66	+\$0.00	+0.0%	-3.7%	-6.6%
\$USD					
US Crude Oil	\$33.60	+\$0.17	+0.5%	-4.73%	-4.0%
US Nat Gas	\$18.36	+\$0.21	+1.2%	2.91%	-8.1%
PSDB Agriculture	\$26.36	+\$0.05	+0.2%	-0.68%	-4.7%
PSDB Base Metals	\$18.69	-\$0.21	-1.1%	-5.31%	-2.1%

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Interest Rates

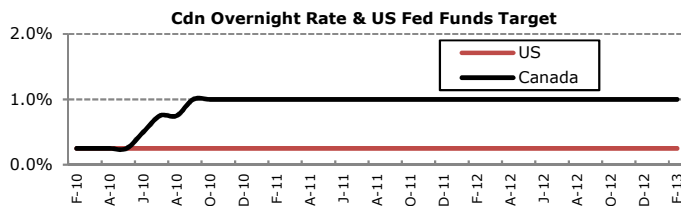
Canadian yield curve

	22-Feb	day Δ	-1 mnth	-3 mnths	-1 year
3-mnth	0.95%	-	0.92%	0.96%	0.94%
6-mnth	1.00%	-	0.99%	1.02%	0.98%
12-mnth	1.04%	-0.02%	1.07%	1.07%	1.03%
2-year	1.07%	-0.04%	1.13%	1.12%	1.09%
5-year	1.40%	-0.04%	1.41%	1.37%	1.47%
10-year	1.94%	-0.04%	1.88%	1.79%	2.05%
20-year	2.54%	-0.03%	2.44%	2.32%	2.64%
30-year	2.59%	-0.02%	2.47%	2.36%	2.64%

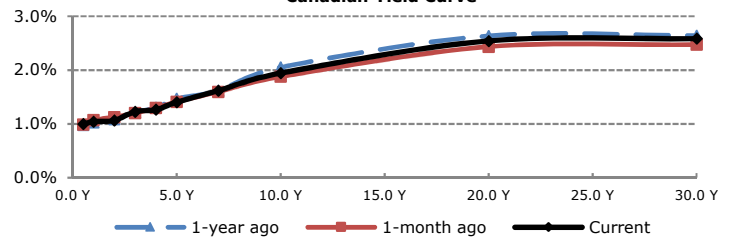
US yield curve

	22-Feb	day Δ	-1 mnth	-3 mnths	-1 year
3-mnth	0.12%	-	0.07%	0.09%	0.09%
6-mnth	0.13%	+0.01%	0.10%	0.13%	0.13%
12-mnth	0.15%	+0.00%	0.13%	0.17%	0.15%
2-year	0.25%	-0.00%	0.23%	0.27%	0.30%
5-year	0.83%	-0.01%	0.75%	0.69%	0.89%
10-year	1.96%	-0.01%	1.82%	1.69%	2.00%
30-year	3.15%	-0.01%	3.02%	2.83%	3.14%

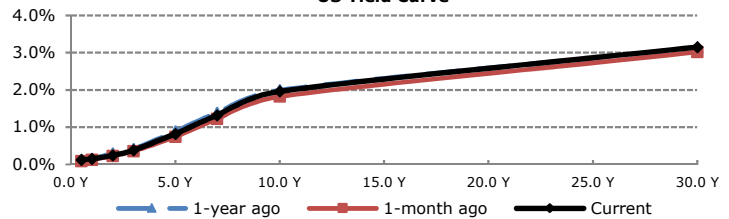
	Current	Prior	Next Meeting	Survey
Cdn Overnight	1.00%	1.00%	6-Mar-13	1.00%
US Fed Funds	0.25%	0.25%	20-Mar-13	0.25%



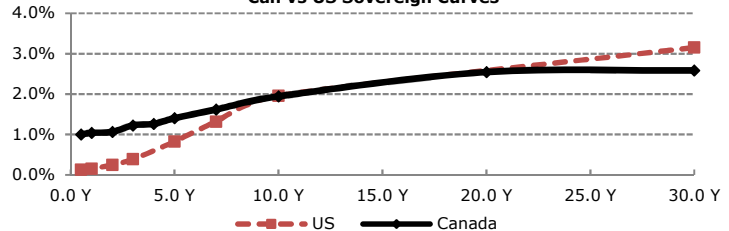
Canadian Yield Curve



US Yield Curve



Can vs US Sovereign Curves



Foreign Exchange

(USDCAD implies 1-USD to CAD)

	Spot	22-Feb	day Δ	-1 mnth	-3 mnths	-1 year
USDCAD	\$1.022	+0.003	0.999	0.997	1.002	
EURUSD	\$1.319	+0.000	1.332	1.288	1.311	
USDJPY	¥93.42	+0.310	88.61	82.48	80.89	
GBPUSD	\$1.516	-0.009	1.585	1.594	1.572	
AUDUSD	\$1.032	+0.008	1.056	1.039	1.055	

	Spot	22-Feb	day Δ	-1 mnth	-3 mnths	-1 year
CADJPY	¥91.44	+0.024	88.68	82.70	80.74	
CADAUD	\$0.948	-0.010	0.948	0.965	0.946	
GBP CAD	£1.549	-0.005	1.583	1.589	1.575	
EURJPY	¥123.22	+0.410	118.03	106.26	106.07	
EURAUD	\$1.28	-0.009	1.26	1.24	1.24	

Economic Releases

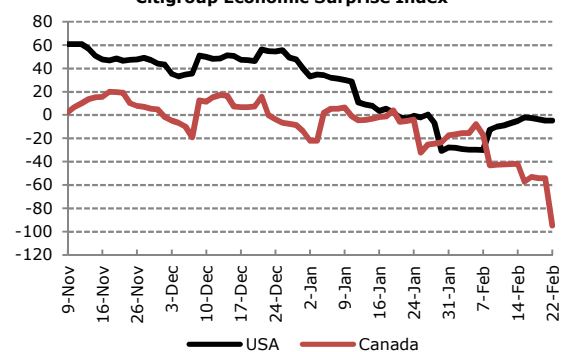
United States

		Period	Survey	Actual	Prior
Tue, Feb 26	New Home Sales	31-Jan	380K	--	369K
Tue, Feb 26	Consumer Confidence	28-Feb	62	--	58.6
Wed, Feb 27	Durable Goods Orders	31-Jan	-4.6%	--	4.6%
Thu, Feb 28	Continuing Claims	16-Feb	3140K	--	3148K
Thu, Feb 28	Initial Jobless Claims	23-Feb	360K	--	362K
Thu, Feb 28	GDP QoQ (Annualized)	31-Mar	0.5%	--	0%
Fri, Mar 01	Personal Income	31-Jan	-2.4%	--	2.6%
Fri, Mar 01	ISM Manufacturing	28-Feb	0.1	--	53.1

Canada

		Period	Survey	Actual	Prior
Fri, Mar 01	GDP MoM	31-Dec	-0.2%	--	0.3%

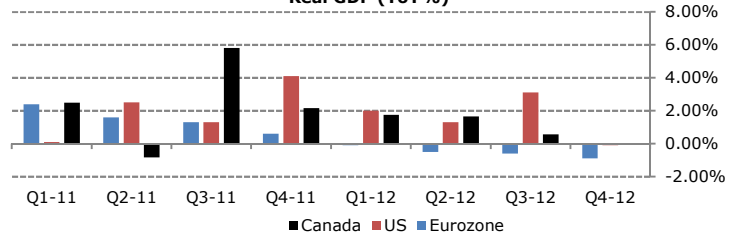
Citigroup Economic Surprise Index



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%

Real GDP (YoY%)



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