

## Today's Commentary

Investors responded favorably to U.S. non-farm payroll numbers on Friday, as the Dow broke the 14,000 level to close at a new post-crisis high. The bullish data lifted commodity prices and led the S&P/TSX composite higher to a 12,769 close, while nine of the ten main sectors showed gains. Suncor Energy Inc. and Teck Resources Ltd. were among the strongest performers, posting 1.5 and 1.8 percent gains respectively. On the weekend, Japan's Finance Minister once again addressed concerns about currency manipulation, and a consortium of investors worked on a deal to privatize Dell Inc.

Japanese Finance Minister Taro Aso is once again deflecting criticism that the Bank of Japan (BOJ) is unfairly manipulating the yen's exchange rate. Ongoing concerns about currency wars are likely to be under discussion at the G20 meeting in Moscow on February 15-16. On Sunday, Aso explained to reporters that "We have launched policies aimed at ending deflation. As a result, the stock price has risen and the yen has weakened," and reiterated that "(a weak yen) is not the goal, the goal is to beat deflation." In January, the BOJ doubled its inflation target to 2 percent and committed to purchasing government bonds starting next year, in a similar fashion to the U.S. Federal Reserve. Last week the USD gained 2 percent on the yen and is now up 16.6 percent since November.

Dell Inc. is nearing a deal that could be the largest leveraged buyout since the financial crisis. The buyout would take the firm private for between \$13 and \$14 per share, which equates to a valuation between \$22.6 billion and \$24.4 billion. Shares closed at \$13.63 on Friday, and edged up after hours. The deal would make Michael Dell, the firm's founder, the majority owner, with private equity firm Silver Lake Capital and Microsoft Corp becoming minority investors. The consortium has raised \$15 billion in debt financing from Barclays, Bank of America Merrill Lynch, Credit Suisse and RBC Capital. Evercore Partners Inc. is analyzing the deal with a special committee of Dell's independent directors to ensure that shareholders are treated fairly. Going forward, Dell's business plan is expected to involve a shift towards corporate technology solutions, as the outlook for the home PC market is unfavorable.

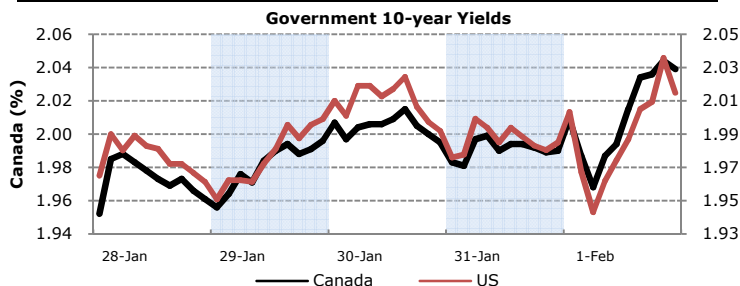
The Daily Roll is written by MFE Candidates Dipanker Koirala and Jan Varsava in partnership with the Rotman Finance Association. Please email [dailyroll@economics.utoronto.ca](mailto:dailyroll@economics.utoronto.ca) to subscribe/unsubscribe.

## Today's Major Economic Releases

United States	Period	Survey	Actual	Prior
Factory Orders	31-Dec	2.4%	-	0.0%

Canada	Period	Survey	Actual	Prior
None Scheduled				

## 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.

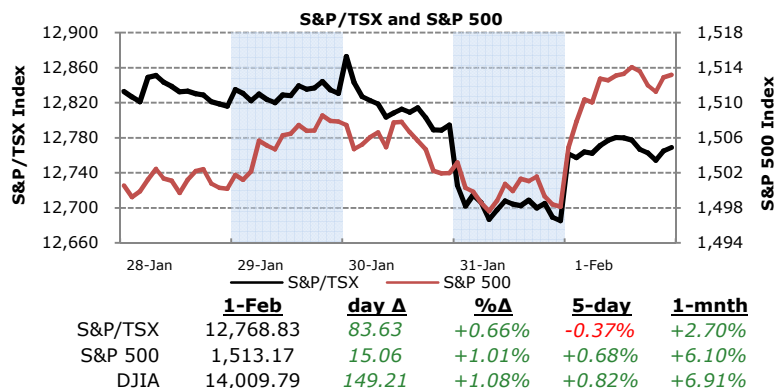
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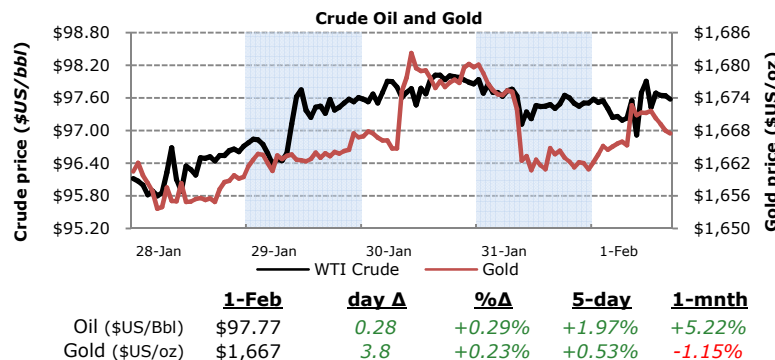


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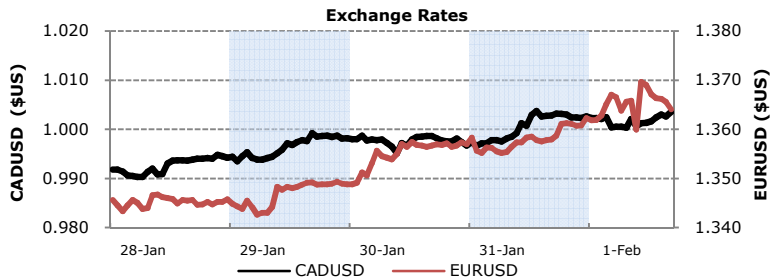
## Equities



## Commodities



## Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	1-Feb	day Δ	Historical levels		
			-5 days	-1 mnt	-1 year
USDCAD	\$0.997	-0.001	1.006	0.988	1.000
EURUSD	\$1.364	+0.006	1.346	1.305	1.307
USDJPY	¥92.77	+1.060	90.910	87.24	78.43

	1-Feb	day Δ	Historical levels		
			-1 mnt	-3 mnths	-1 year
Government 10-year Yields					
Canada	2.04%	0.049%	1.87%	1.77%	1.94%
United States	2.01%	0.030%	1.84%	1.71%	1.82%

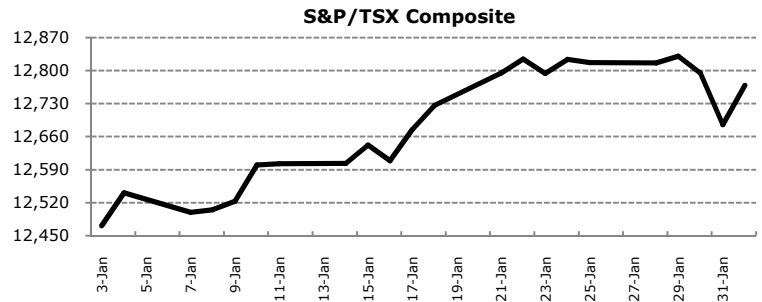
## Rotman Finance Association



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>

	<b>1-Feb</b>	<b>day Δ</b>	<b>%Δ</b>
<b>S&amp;P/TSX</b>	12,768.83	83.63	+0.66%
<b>Trailing S&amp;P/TSX</b>			
5-day	-0.37%	-0.66%	
1-month	+2.70%	+2.63%	
3-months	+2.15%	+2.41%	
6-months	+9.90%	+10.47%	
12-months	+2.01%	+2.80%	



### TSX Sector Returns

	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
C. Discretionary	+0.65%	-0.54%	+4.79%	+20.18%
C. Staples	+0.43%	-0.31%	-0.51%	+21.47%
Energy	+0.85%	-0.59%	+3.28%	-9.03%
Financials	+0.36%	-0.12%	+3.51%	+12.39%
Healthcare	+1.50%	+1.05%	+9.96%	+10.11%
Info Tech	+0.04%	-6.84%	+8.79%	+8.91%
Industrials	+0.84%	+0.86%	+8.70%	+15.72%
Materials	+1.04%	-0.82%	-2.60%	-18.03%
Metals & Mining	+1.35%	-0.99%	+0.50%	-15.85%
Telecom	+0.22%	+1.19%	+2.78%	+11.06%
Utilities	-0.47%	-0.84%	+3.43%	+3.22%

### TSX Top Performers

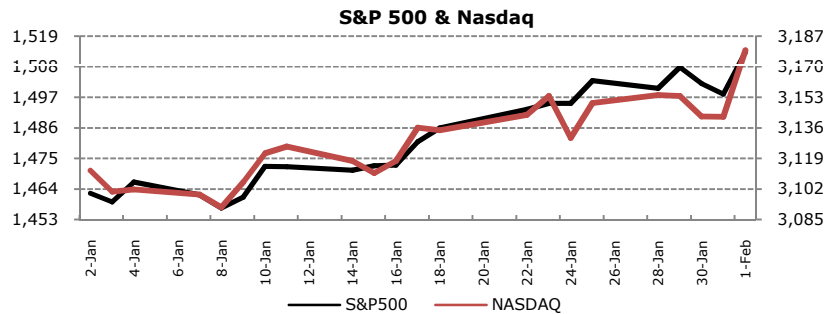
<i>Ranked by 1-day</i>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Banro Corporation	+6.94%	+3.97%	-5.76%	-48.63%
Brookfield Office Propert	+6.15%	+1.69%	+2.83%	-1.36%
Martinrea International I	+5.43%	+7.69%	+22.84%	+3.59%
Major Drilling Group Intl	+5.25%	+2.86%	+6.43%	-41.89%
Semafo Inc	+4.66%	-6.71%	-14.62%	-57.50%

### 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>
Atlantic Power Corp	-5.93%	-8.90%	+2.12%	-22.66%
Centerra Gold Inc	-2.98%	-1.24%	-5.59%	-53.91%
Niko Resources Ltd	-2.88%	-4.35%	-5.07%	-79.37%
Methanex Corp	-2.82%	-1.58%	+10.04%	+22.44%
Whitecap Resources Inc	-2.19%	+0.43%	+8.21%	-0.95%

### US Indices

<i>Trailing</i>	<b>S&amp;P 500</b>	<b>DJIA</b>	<b>Nasdaq</b>
1-Feb	1,513.17	14,009.79	3,179.10
1-day	+1.01%	+1.08%	+1.18%
5-day	+0.68%	+0.82%	+0.93%
1-month	+6.10%	+6.91%	+5.29%
3-months	+5.99%	+5.87%	+5.27%
6-months	+10.04%	+8.01%	+8.87%
12-months	+14.28%	+10.17%	+11.62%



### S&P 500 Sector Returns

	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
C. Discretionary	+0.59%	-0.93%	+6.26%	+21.96%
C. Staples	+0.78%	+1.15%	+6.46%	+15.58%
Energy	+0.93%	+0.95%	+8.59%	+9.00%
Financials	+1.39%	+0.74%	+7.25%	+23.38%
Healthcare	+0.83%	+0.82%	+8.14%	+19.83%
Info Tech	+1.14%	+1.19%	+2.50%	+6.81%
Industrials	+1.10%	+0.07%	+6.78%	+11.10%
Materials	+1.20%	-0.65%	+5.01%	+5.03%
Telecom	+1.88%	+3.60%	+4.11%	+21.06%
Utilities	+0.20%	+1.06%	+4.93%	+5.35%

### DJIA Top Performers

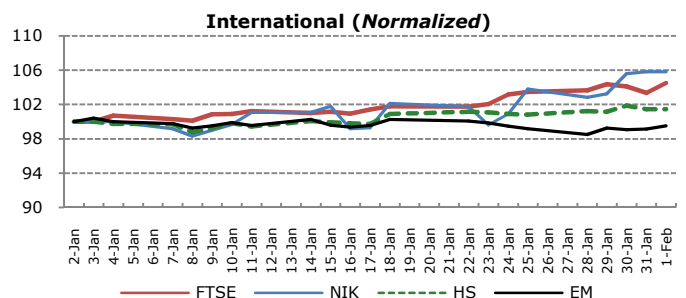
<i>Ranked by 1-day</i>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Bank Of America Corp	+3.45%	+0.77%	+0.95%	+57.18%
United Technologies Corp	+2.59%	+0.06%	+9.55%	+12.27%
Verizon Communications In	+2.18%	+4.43%	+2.98%	+18.64%

### 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>
Merck & Co. Inc.	-3.28%	-3.75%	+2.17%	+8.82%
Hewlett-Packard Co	-0.30%	-3.12%	+15.51%	-42.25%
Exxon Mobil Corp	+0.08%	-1.84%	+4.03%	+7.79%

### International Markets

<i>Trailing</i>	<b>FTSE 100</b>	<b>Nikkei</b>	<b>Hang Seng</b>	<b>MSCI EM</b>
Last Close	6,347.24	11,138.66	23,721.84	1,072.82
1-day	+1.12%	+0.22%	-0.03%	+0.36%
5-day	+1.00%	+4.88%	+0.60%	+0.35%
1-month	+7.62%	+7.15%	+4.70%	+1.67%
3-months	+8.28%	+24.76%	+8.71%	+7.32%
6-months	+11.11%	+28.10%	+19.68%	+12.43%
12-months	+9.61%	+26.54%	+16.66%	+4.17%



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### Nymex WTI Crude Oil

(\$US/Bbl)	1-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$97.77	+\$0.28	+0.29%	+1.97%	+5.22%
Cal 13	\$98.65	+\$0.36	+0.37%	+2.15%	+9.37%
Cal 14	\$95.02	+\$0.38	+0.40%	+1.65%	+5.71%

(\$US/bbl)	Q2-13	Q3-13	Q4-13	Q1-14	2014
Consensus Forecast	\$94.50	\$96.75	\$98.14	\$100.00	\$98.00
Current Forward	\$98.64	\$99.21	\$98.40	\$96.98	\$95.02

### Inventory Levels (as of Jan-25)

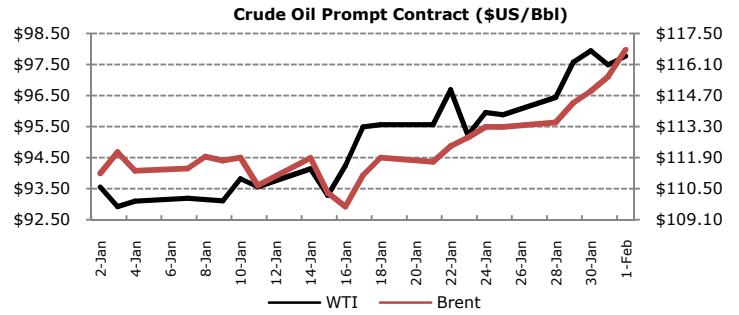
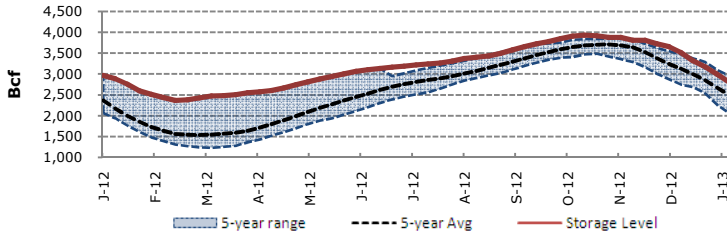
(MMbbls)	Current	Week Δ	Last Yr	5 Yr. Avg
Crude Oil	369,062	+5,947	337,426	319,411
Motor Gas	232,301	-956	214,389	200,481
Distillates	130,623	-2,315	171,756	140,851

### Nymex Natural Gas

(\$US/MMbtu)	1-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$3.30	-\$0.04	-1.14%	-4.15%	+2.10%
Apr13-Oct13	\$3.50	-\$0.04	-1.06%	-3.82%	-3.03%
Nov13-Mar14	\$3.93	-\$0.04	-0.96%	-3.05%	-1.61%
Apr14-Oct14	\$3.96	-\$0.04	-0.88%	-2.55%	-0.64%
Nov14-Mar15	\$4.31	-\$0.03	-0.77%	-1.50%	+3.21%

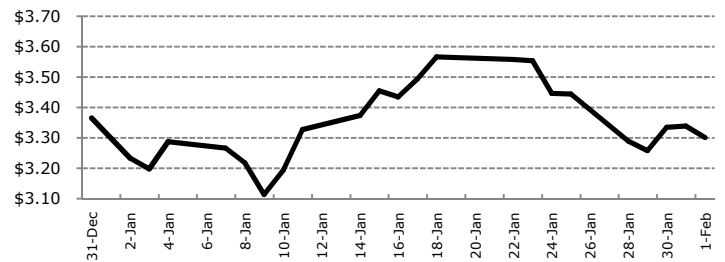
### Inventory Levels (as of Jan-25)

	Current	Week Δ	Last Yr	5 Yr. Avg
US Storage (Bcf)	2,802	-194	2,966	2,498



(\$US/Bbl)	1-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$116.76	+\$1.21	+1.04%	+3.07%	+4.12%

### Nat Gas Prompt (\$US/MMbtu)

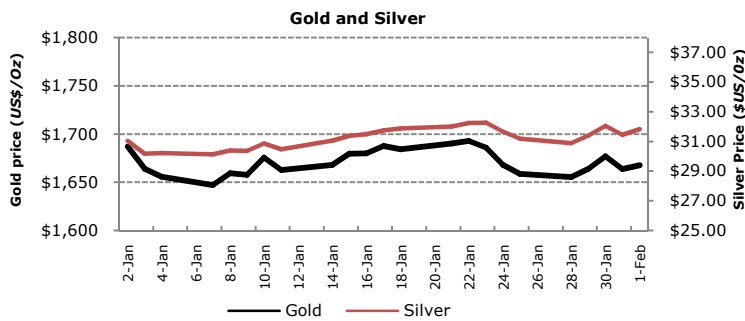


### Alberta Natural Gas

(\$CAD/GJ)	1-Feb	day Δ	%Δ
AECO Mar-13	\$2.82	-\$0.03	-1.1%

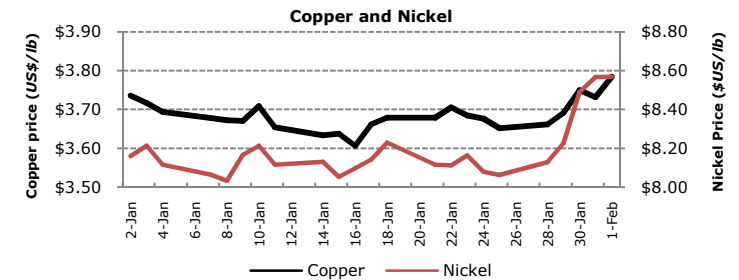
### Precious Metals

\$US/oz	1-Feb	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,667.45	+\$3.80	+0.2%	+0.5%	-1.2%	-0.6%
Silver	\$31.83	+\$0.37	+1.2%	+2.0%	+2.6%	+3.0%
Platinum	\$1,684	+\$5.50	+0.3%	-0.6%	+7.5%	+9.1%



### Industrial Metals

\$US/lb	1-Feb	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.78	+\$0.05	+1.4%	+3.6%	+1.3%	+8.7%
Nickel	\$8.57	+\$0.00	+0.0%	+6.3%	+5.0%	+12.0%
Zinc	\$1.05	-\$0.00	-0.4%	+2.2%	+1.9%	+14.1%
Aluminum	\$0.93	-\$0.01	-1.1%	0.0%	-2.1%	+6.9%
Uranium	\$43.90	+\$0.15	+0.3%	+0.3%	+1.5%	+7.1%



### Agriculture & Other

	1-Feb	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$7.36	-\$0.04	-0.6%	+2.1%	+6.6%
Wheat (\$US/bu)	\$7.65	-\$0.15	-1.9%	-1.5%	+1.3%
Soybeans (\$US/bu)	\$14.74	+\$0.06	+0.4%	+2.3%	+5.9%
Rough Rice (\$US/cwt)	\$15.56	+\$0.05	+0.4%	+0.5%	+3.4%
Sugar #11 (¢US/lb)	¢18.89	¢0.11	+0.6%	+2.8%	-4.1%
Lean Hogs (¢US/lb)	¢88.75	¢0.60	-0.7%	-0.2%	-0.6%
Live Cattle (¢US/lb)	¢132.18	¢0.63	-0.5%	+1.1%	-2.9%
Cotton No.2 (\$US/lb)	\$0.83	+\$0.00	+0.0%	+3.1%	+10.1%
Lumber (\$US/Mbft)	\$362.70	+\$10.00	+2.8%	+1.1%	-4.2%

### Commodity ETFs

\$CAD	1-Feb	day Δ	%Δ	5-day	1-mnth
HBP Crude Oil U	\$4.91	+\$0.01	+0.2%	+3.4%	+9.6%
HBP Nat Gas U	\$11.21	-\$0.27	-2.4%	-9.9%	+4.8%
HBP Comex Gold	\$16.61	+\$0.06	+0.4%	+0.5%	+0.2%

\$USD	1-Feb	day Δ	%Δ	5-day	1-mnth
US Crude Oil	\$35.35	+\$0.07	+0.2%	1.64%	+5.9%
US Nat Gas	\$18.54	-\$0.22	-1.2%	-5.02%	-1.9%
PSDB Agriculture	\$27.75	-\$0.16	-0.6%	0.62%	-0.7%
PSDB Base Metals	\$19.68	+\$0.23	+1.2%	3.69%	+2.1%

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## Interest Rates

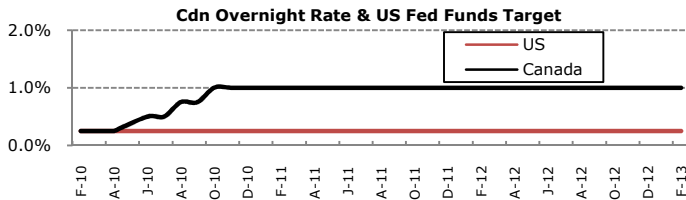
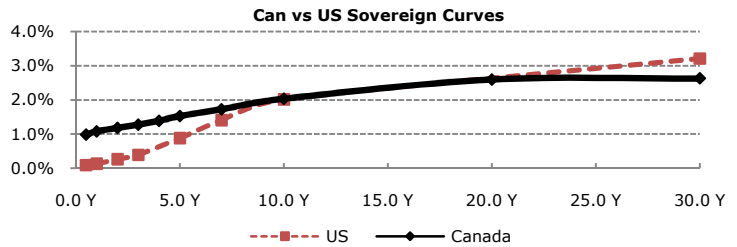
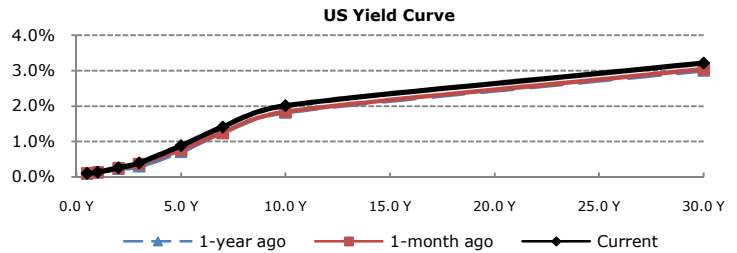
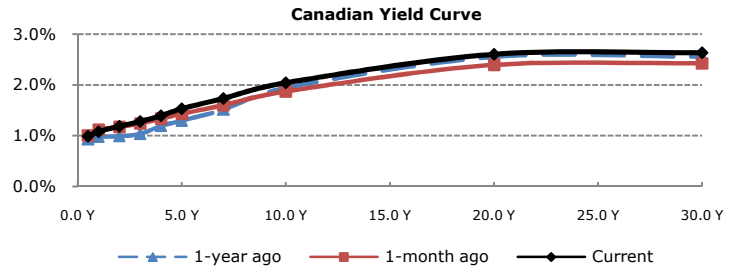
### Canadian yield curve

	<b>1-Feb</b>	<b>day Δ</b>	<i>Historical Levels</i>		
			<b>-1 mnth</b>	<b>-3 mnths</b>	<b>-1 year</b>
3-mnth	0.93%	-	0.92%	0.99%	0.89%
6-mnth	0.99%	-	1.01%	1.02%	0.93%
12-mnth	1.08%	+0.02%	1.12%	1.07%	0.98%
2-year	1.19%	+0.03%	1.17%	1.07%	0.99%
5-year	1.53%	+0.03%	1.43%	1.32%	1.30%
10-year	2.04%	+0.05%	1.87%	1.77%	1.94%
20-year	2.60%	+0.07%	2.39%	2.32%	2.55%
30-year	2.63%	+0.06%	2.43%	2.36%	2.55%

### US yield curve

	<b>1-Feb</b>	<b>day Δ</b>	<i>Historical Levels</i>		
			<b>-1 mnth</b>	<b>-3 mnths</b>	<b>-1 year</b>
3-mnth	0.07%	-0.01%	0.06%	0.09%	0.08%
6-mnth	0.10%	-0.01%	0.11%	0.15%	0.09%
12-mnth	0.13%	-	0.14%	0.17%	0.13%
2-year	0.26%	-	0.25%	0.28%	0.22%
5-year	0.88%	+0.00%	0.76%	0.72%	0.71%
10-year	2.01%	+0.03%	1.84%	1.71%	1.82%
30-year	3.22%	+0.05%	3.04%	2.91%	3.00%

	<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>1-Feb</b>	<b>day Δ</b>	<i>Historical Levels</i>		
				<b>-1 mnth</b>	<b>-3 mnths</b>	<b>-1 year</b>
USDCAD	\$0.997	-0.001		0.988	0.996	1.000
EURUSD	\$1.364	+0.006		1.305	1.284	1.307
USDJPY	¥92.77	+1.060		87.24	80.43	78.43
GBPUSD	\$1.569	-0.016		1.611	1.602	1.569
AUDUSD	\$1.041	-0.002		1.047	1.034	1.070

	<b>Spot</b>	<b>1-Feb</b>	<b>day Δ</b>	<i>Historical Levels</i>		
				<b>-1 mnth</b>	<b>-3 mnths</b>	<b>-1 year</b>
CADJPY	¥93.09	+1.129		88.31	80.77	78.43
CADAUD	\$0.964	+0.002		0.967	0.971	0.935
GBPCAD	£1.564	-0.017		1.591	1.595	1.569
EURJPY	¥126.66	+2.130		113.84	103.24	102.48
EURAUD	\$1.31	+0.008		1.25	1.24	1.22

## Economic Releases

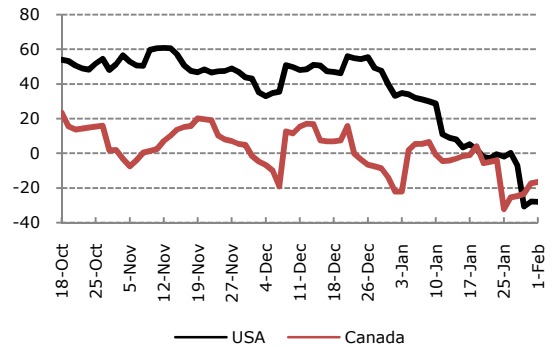
### United States

		<b>Period</b>	<b>Survey</b>	<b>Actual</b>	<b>Prior</b>
Mon, Feb 04	Factory Orders	31-Dec	2.4%	-	0%
Thu, Feb 07	Continuing Claims	26-Jan	3197.5K	--	3197K
Thu, Feb 07	Initial Jobless Claims	2-Feb	360%	--	368%
Fri, Feb 08	Trade Balance	31-Dec	-46B	--	-48.7B

### Canada

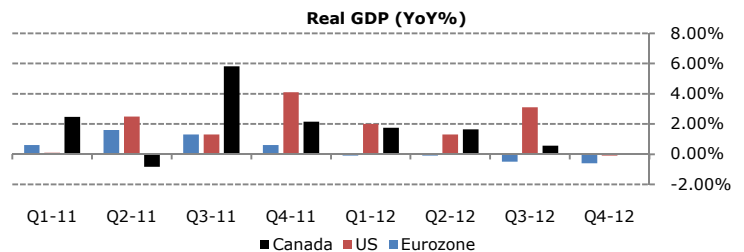
		<b>Period</b>	<b>Survey</b>	<b>Actual</b>	<b>Prior</b>
Thu, Feb 07	Building Permits (MoM)	31-Dec	4.9%	--	-17.9%
Fri, Feb 08	Net Change in Employment	31-Jan	5K	--	39.8K
Fri, Feb 08	Unemployment	31-Jan	7.2%	--	7.1%
Fri, Feb 08	Housing Starts	31-Jan	195K	--	198K

### Citigroup Economic Surprise Index



## Economics

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



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