

Today's Commentary

The S&P/TSX composite fell to a two and half week low, closing at 12,718, as financial stocks were pulled down by political uncertainty in Europe. Spanish Prime Minister Mariano Rajoy is facing allegations that his party operated a fund used for illicit payments to senior party leaders. The Spanish 10-year yield jumped to 5.21 percent on the news, while the Italian yield reached 4.33 percent ahead of their national election to be held in three weeks. Canada's big five banks were all down, with CIBC and TD falling 0.91 and 0.74 percent respectively. Meanwhile, Standard & Poor's is facing a civil lawsuit from the Department of Justice, and BlackBerry shares jumped in response to an analyst's upgraded outlook.

The U.S. Department of Justice is expected to file a civil lawsuit against Standard & Poor's, alleging illegal behavior in mortgage bond ratings leading up to the financial crisis. S&P's parent company, McGraw-Hill Cos, fell 13.8 percent on the news, while its main competitor in the credit rating business, Moody's Corp, dropped 10.7 percent. S&P responded to the allegations on Monday, stating that "A DOJ lawsuit would be entirely without factual or legal merit. The DOJ would be wrong in contending that S&P ratings were motivated by commercial considerations and not issued in good faith." Last summer, the Department of Justice investigated S&P's ratings of structured products, but it is not yet clear if there is a connection with this case. The lawsuit once again highlights the conflict of interest inherent in the standard practice of having issuers pay credit rating agencies for their ratings.

Bernstein Research upgraded its outlook on BlackBerry to "outperform", stating that "We upgrade BlackBerry to outperform today as we believe BB 10 is set for a strong launch. Even if the long-term prospects for the platform are very uncertain, we believe all is in place for BlackBerry 10 to enjoy a great debut." The stock formerly known as Research in Motion, but which now trades as BB on the TSX and BBRY on Nasdaq, experienced tremendous volatility last week, with a long rally leading up to the phone's launch, followed by a sudden decline on launch day, which is being blamed on disappointment that the phone won't be available in the U.S. until March. Shares rose 12.1 percent on Monday to close at \$14.59.

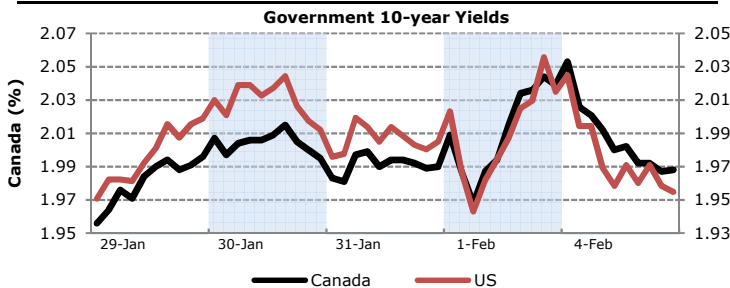
The Daily Roll is written by MFE Candidates Dipanker Koirala and Jan Varsava in partnership with the Rotman Finance Association. Please email dailyroll@economics.utoronto.ca to subscribe/unsubscribe.

Today's Major Economic Releases

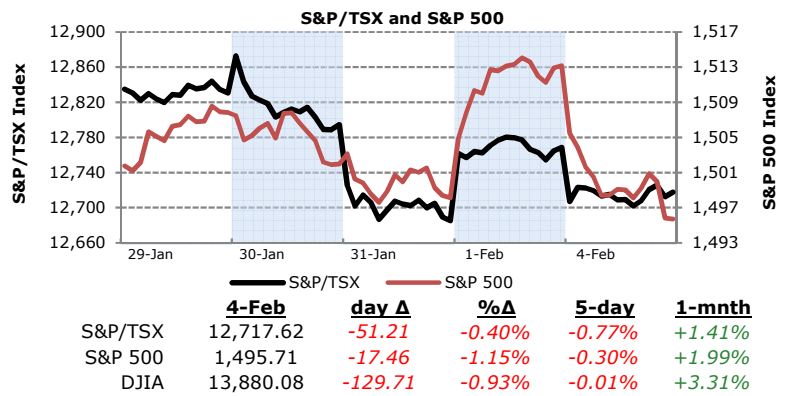
United States	Period	Survey	Actual	Prior
None Scheduled				

Canada	Period	Survey	Actual	Prior
None Scheduled				

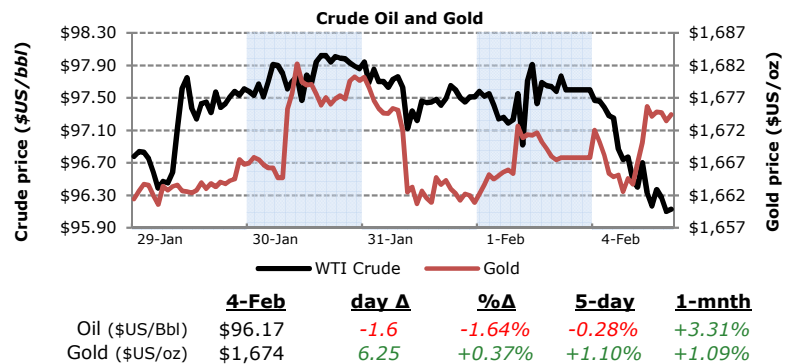
Interest Rates



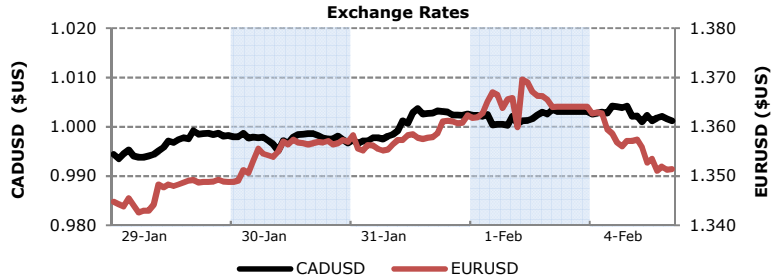
Equities



Commodities



Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	4-Feb	day Δ	Historical levels		
			-5 days	-1 mnth	-1 year
USDCAD	\$0.999	+0.002	1.006	0.987	0.997
EURUSD	\$1.351	-0.013	1.346	1.307	1.313
USDJPY	¥92.38	-0.390	90.860	88.15	78.94

Government 10-year Yields

	4-Feb	day Δ	Historical levels		
			-1 mnth	-3 mnths	-1 year
Canada	1.99%	-0.051%	1.94%	1.81%	2.02%
United States	1.95%	-0.060%	1.90%	1.75%	1.92%

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>

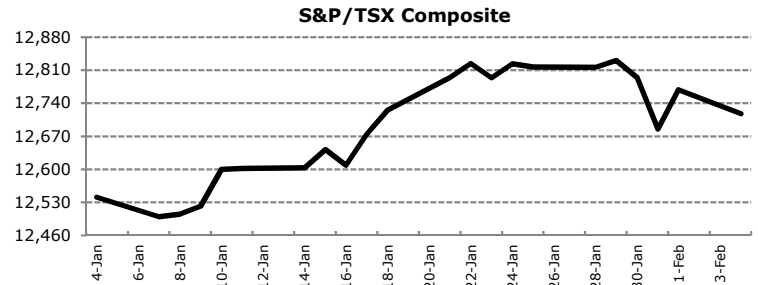
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	4-Feb	day Δ	%Δ
S&P/TSX	12,717.62	-51.21	-0.40%

	Trailing S&P/TSX	TSX 60
5-day	-0.77%	-1.12%
1-month	+1.41%	+1.49%
3-months	+2.72%	+3.05%
6-months	+9.05%	+9.69%
12-months	+1.12%	+1.90%



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	-0.85%	-1.50%	+3.45%	+18.95%
C. Staples	-0.20%	-0.41%	-0.52%	+21.44%
Energy	-0.53%	-1.04%	+0.65%	-10.97%
Financials	-0.60%	-1.22%	+1.88%	+11.27%
Healthcare	-0.49%	+0.78%	+6.63%	+9.87%
Info Tech	+3.25%	-1.15%	+10.87%	+9.46%
Industrials	-0.99%	-0.17%	+4.69%	+13.03%
Materials	-0.20%	-0.15%	-2.31%	-17.73%
Metals & Mining	-1.28%	-1.68%	-4.05%	-18.93%
Telecom	-0.57%	-0.20%	+1.86%	+10.93%
Utilities	-0.24%	-1.34%	+1.93%	+2.36%

TSX Top Performers

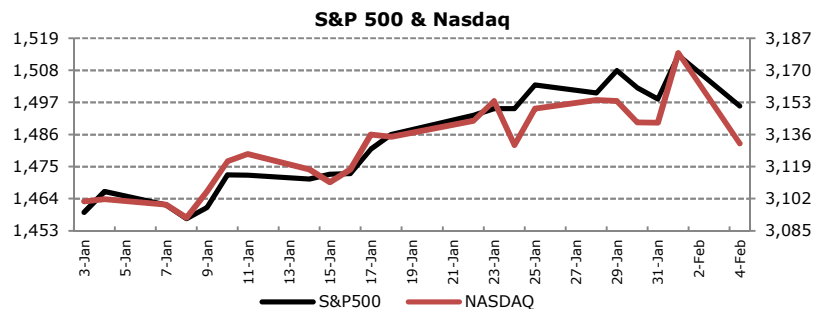
<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Research In Motion	+15.22%	-7.87%	+26.50%	-10.67%
Kirkland Lake Gold Inc	+5.72%	+5.72%	+1.09%	-65.22%
Premier Gold Mines Ltd	+3.68%	+3.98%	-11.59%	-38.07%
Petrominerales Ltd	+3.13%	-3.25%	+11.88%	-56.19%
Mullen Group Ltd	+1.95%	+2.12%	+13.59%	+20.56%

TSX Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Centerra Gold Inc	-5.12%	-3.70%	-10.71%	-55.33%
Martinrea International I	-4.20%	+2.36%	+10.01%	-0.87%
Nevsun Resources Ltd	-4.10%	+0.25%	-5.24%	-38.01%
Dorel Industries-Cl B	-3.80%	-4.69%	+1.77%	+49.02%
Black Diamond Group Ltd	-3.38%	-0.46%	+1.13%	+12.74%

US Indices

<i>Trailing</i>	S&P 500	DJIA	Nasdaq
4-Feb	1,495.71	13,880.08	3,131.17
1-day	-1.15%	-0.93%	-1.51%
5-day	-0.30%	-0.01%	-0.73%
1-month	+1.99%	+3.31%	+0.95%
3-months	+5.76%	+6.01%	+5.00%
6-months	+7.53%	+5.99%	+5.50%
12-months	+11.21%	+7.91%	+7.76%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	-1.21%	-1.68%	+2.19%	+18.24%
C. Staples	-0.90%	+0.15%	+2.78%	+13.79%
Energy	-0.95%	+0.32%	+4.12%	+5.51%
Financials	-1.30%	-0.12%	+1.79%	+18.07%
Healthcare	-1.14%	+0.05%	+4.36%	+18.30%
Info Tech	-1.61%	-0.70%	-0.95%	+3.39%
Industrials	-0.97%	-0.91%	+2.61%	+8.25%
Materials	-1.00%	-0.66%	+1.08%	+3.05%
Telecom	-0.49%	+2.88%	+0.04%	+19.45%
Utilities	-0.65%	+0.57%	+1.83%	+4.75%

DJIA Top Performers

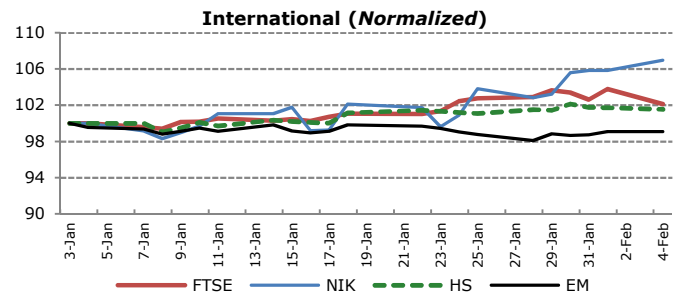
<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Boeing Co/The	+0.45%	+1.64%	-3.19%	-1.48%
Unitedhealth Group Inc	-0.04%	-0.11%	+7.03%	+8.65%
Verizon Communications In	-0.09%	+4.09%	+0.50%	+17.65%

DJIA Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Travelers Cos Inc/The	-2.37%	+0.84%	+5.32%	+29.74%
Merck & Co. Inc.	-2.34%	-4.85%	-2.58%	+6.46%
Bank Of America Corp	-1.96%	+0.00%	-5.20%	+46.43%

International Markets

<i>Trailing</i>	FTSE 100	Nikkei	Hang Seng	MSCI EM
Last Close	6,246.84	11,260.35	23,685.01	1,072.73
1-day	-1.58%	+1.09%	-0.16%	-0.01%
5-day	-0.76%	+3.05%	+0.06%	+1.00%
1-month	+2.58%	+5.35%	+1.52%	-0.48%
3-months	+6.45%	+24.41%	+7.12%	+6.77%
6-months	+7.94%	+31.62%	+20.44%	+12.59%
12-months	+5.86%	+27.50%	+14.11%	+2.32%



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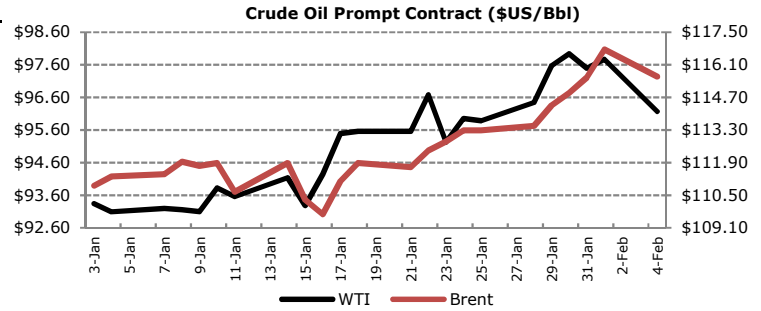
Nymex WTI Crude Oil

(\$US/Bbl)	4-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$96.17	-\$1.60	-1.64%	-0.28%	+3.31%
Cal 13	\$97.23	-\$1.42	-1.44%	+0.13%	+6.03%
Cal 14	\$94.19	-\$0.83	-0.87%	+0.34%	+3.30%

(\$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	\$97.08	\$97.77	\$97.18	\$95.99	\$94.19

Inventory Levels (as of Jan-25)

(Mbbbls)	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



WTI Brent

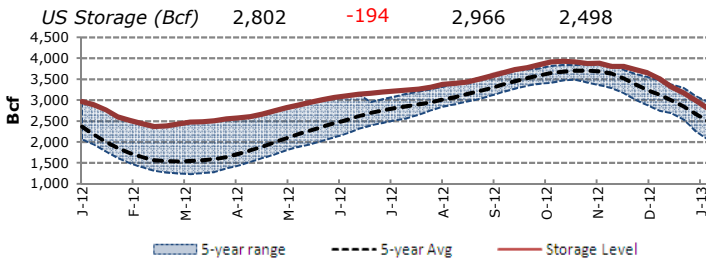
UK Brent Crude Oil

(\$US/Bbl)	4-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$115.60	-\$1.16	-1.00%	+1.87%	+3.85%

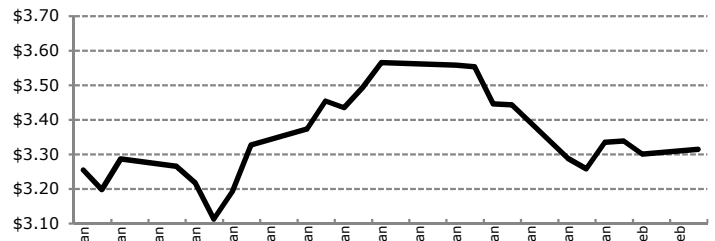
Nymex Natural Gas

(\$US/MMbtu)	4-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$3.32	+\$0.01	+0.42%	+0.79%	+3.66%
Apr13-Oct13	\$3.52	+\$0.02	+0.61%	+0.63%	-0.54%
Nov13-Mar14	\$3.96	+\$0.03	+0.69%	+0.49%	+0.65%
Apr14-Oct14	\$3.98	+\$0.02	+0.60%	+0.35%	+1.18%
Nov14-Mar15	\$4.33	+\$0.02	+0.47%	+1.04%	+4.87%

Inventory Levels (as of Jan-25)



Nat Gas Prompt (\$US/MMbtu)



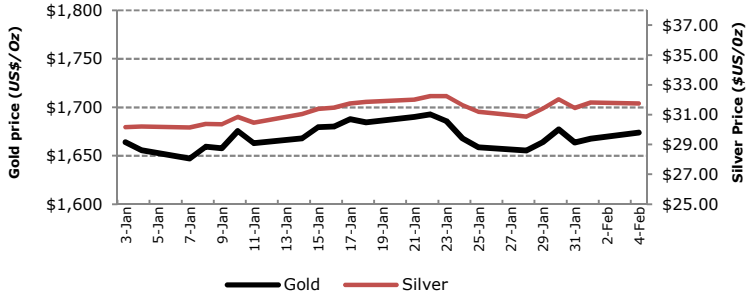
Alberta Natural Gas

(\$CAD/GJ)	4-Feb	day Δ	%Δ
AECO Mar-13	\$2.87	+\$0.05	+1.8%

Precious Metals

\$US/oz	4-Feb	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,673.70	+\$6.25	+0.4%	+1.1%	+1.1%	-2.5%
Silver	\$31.75	-\$0.08	-0.2%	+2.8%	+5.1%	-0.8%
Platinum	\$1,697	+\$13.50	+0.8%	+2.0%	+8.9%	+9.2%

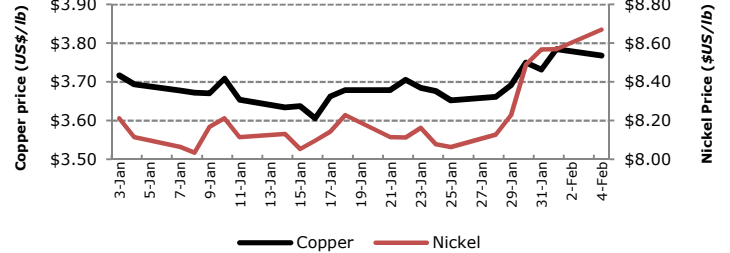
Gold and Silver



Industrial Metals

\$US/lb	4-Feb	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.77	-\$0.02	-0.4%	+2.9%	+2.0%	+7.5%
Nickel	\$8.67	+\$0.10	+1.2%	+6.7%	+6.8%	+15.6%
Zinc	\$1.05	+\$0.00	+0.5%	+3.1%	+5.3%	+14.8%
Aluminum	\$0.95	+\$0.02	+2.2%	+4.4%	+2.2%	+10.5%
Uranium	\$43.65	-\$0.25	-0.6%	-0.6%	+1.5%	+7.4%

Copper and Nickel



Agriculture & Other

	4-Feb	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$7.34	-\$0.02	-0.2%	+0.7%	+7.9%
Wheat (\$US/bu)	\$7.63	-\$0.02	-0.3%	-2.1%	+2.1%
Soybeans (\$US/bu)	\$14.89	+\$0.15	+1.0%	+2.8%	+8.9%
Rough Rice (\$US/cwt)	\$15.91	+\$0.35	+2.2%	+3.6%	+4.1%
Sugar #11 (¢US/lb)	¢18.73	¢-0.16	-0.8%	+0.0%	-0.6%
Lean Hogs (¢US/lb)	¢88.35	¢-0.40	-0.5%	-0.8%	-1.7%
Live Cattle (¢US/lb)	¢132.28	¢+0.10	+0.1%	-0.8%	-3.3%
Cotton No.2 (\$US/lb)	\$0.82	-\$0.01	-1.5%	+0.9%	+8.9%
Lumber (\$US/Mbft)	\$369.00	+\$6.30	+1.7%	+4.6%	-1.9%

Commodity ETFs

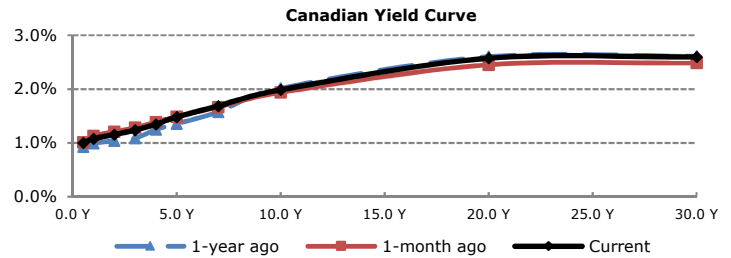
	4-Feb	day Δ	%Δ	5-day	1-mnth
\$CAD					
HBP Crude Oil U	\$4.75	-\$0.16	-3.3%	-1.0%	+5.3%
HBP Nat Gas U	\$11.37	+\$0.16	+1.4%	+1.1%	+1.0%
HBP Comex Gold	\$16.66	+\$0.05	+0.3%	+1.0%	+1.2%
\$USD					
US Crude Oil	\$34.78	-\$0.57	-1.6%	-0.46%	+3.1%
US Nat Gas	\$18.67	+\$0.13	+0.7%	0.65%	+4.1%
PSDB Agriculture	\$27.71	-\$0.04	-0.1%	-0.29%	-0.5%
PSDB Base Metals	\$19.62	-\$0.06	-0.3%	3.26%	+1.6%

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Interest Rates

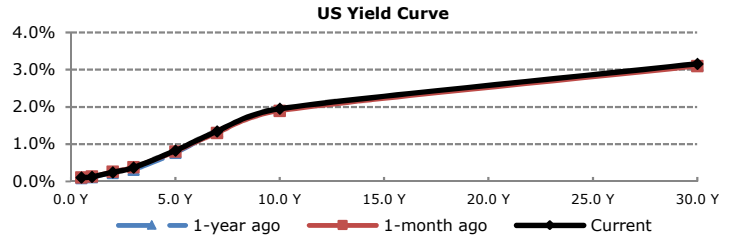
Canadian yield curve

	4-Feb	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.93%	-	0.92%	0.99%	0.88%
6-mnth	1.00%	-	1.01%	1.03%	0.93%
12-mnth	1.08%	-0.00%	1.13%	1.09%	0.99%
2-year	1.16%	-0.03%	1.21%	1.12%	1.04%
5-year	1.48%	-0.05%	1.49%	1.37%	1.36%
10-year	1.99%	-0.05%	1.94%	1.81%	2.02%
20-year	2.57%	-0.03%	2.45%	2.35%	2.61%
30-year	2.60%	-0.03%	2.48%	2.39%	2.61%

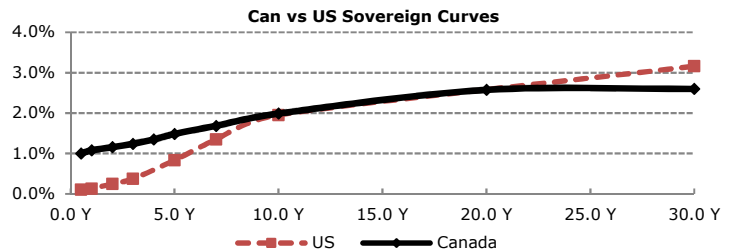
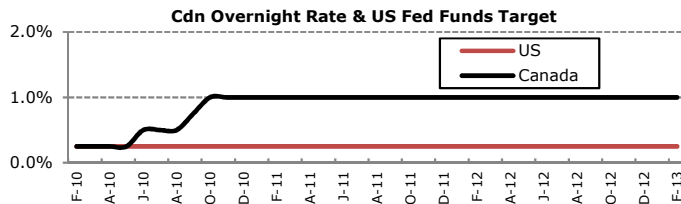


US yield curve

	4-Feb	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.06%	-0.01%	0.07%	0.09%	0.07%
6-mnth	0.11%	+0.01%	0.11%	0.15%	0.09%
12-mnth	0.13%	-0.01%	0.14%	0.18%	0.12%
2-year	0.25%	-0.01%	0.26%	0.30%	0.23%
5-year	0.83%	-0.05%	0.81%	0.75%	0.77%
10-year	1.95%	-0.06%	1.90%	1.75%	1.92%
30-year	3.16%	-0.06%	3.10%	2.92%	3.12%



	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	4-Feb	day Δ	<i>Historical Levels</i>		
				-1 mnth	-3 mnths	-1 year
USDCAD	\$0.999	+0.002		0.987	0.996	0.997
EURUSD	\$1.351	-0.013		1.307	1.280	1.313
USDJPY	¥92.38	-0.390		88.15	80.29	78.94
GBPUSD	\$1.576	+0.007		1.607	1.598	1.580
AUDUSD	\$1.044	+0.003		1.048	1.037	1.076

	Spot	4-Feb	day Δ	<i>Historical Levels</i>		
				-1 mnth	-3 mnths	-1 year
CADJPY	¥92.49	-0.604		89.28	80.58	79.19
CADAUD	\$0.959	-0.005		0.967	0.968	0.933
GBPUSD	£1.574	+0.010		1.587	1.592	1.575
EURJPY	¥124.84	-1.820		115.21	102.74	103.65
EURAUD	\$1.29	-0.016		1.25	1.23	1.22

Economic Releases

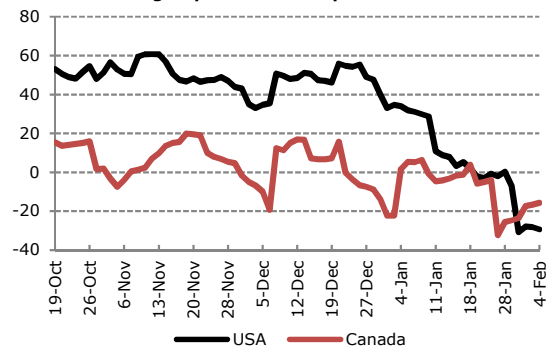
United States

		Period	Survey	Actual	Prior
Mon, Feb 04	Factory Orders	31-Dec	2.3%	1.8%	0%
Thu, Feb 07	Continuing Claims	26-Jan	3192.5K	--	3197K
Thu, Feb 07	Initial Jobless Claims	2-Feb	360%	--	368%
Fri, Feb 08	Trade Balance	31-Dec	-46B	--	-48.7B

Canada

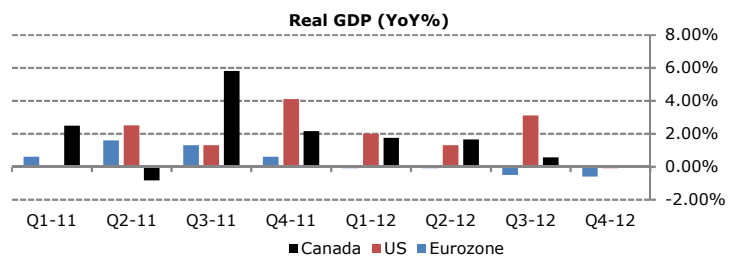
		Period	Survey	Actual	Prior
Thu, Feb 07	Building Permits (MoM)	31-Dec	5%	--	-17.9%
Fri, Feb 08	Net Change in Employment	31-Jan	5K	--	39.8K
Fri, Feb 08	Unemployment	31-Jan	7.2%	--	7.1%
Fri, Feb 08	Housing Starts	31-Jan	195K	--	198K

Citigroup Economic Surprise Index



Economics

	Q1-12	Q2-12	Q3-12	Q4-12	2012E
Canada					
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%
US					
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%
China					
Real GDP	8.10%	7.60%	7.40%	7.90%	7.80%



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