

Today's Commentary

The S&P/TSX composite ended up 0.22 percent to close at 12,746, lifted by an encouraging performance by BlackBerry and energy stocks. BlackBerry gained 6.3 percent on Tuesday thanks to reports of strong sales of its new Z10 model in Canada and Britain. Nine of ten sectors were trading to the upside, with materials being the lone exception. Suncor Energy Inc and TransCanada Corp each posted gains of 0.6 percent. Meanwhile, European business optimism is at an eight-month high, which helped send the S&P 500 up 1.04 percent to close at 1511, while the Nasdaq gained 1.29 percent. Standard & Poor's now finds itself at the center of a landmark government lawsuit, which has sent its parent company's stock tumbling and Dell has designs to go private.

More details emerged on Tuesday as the U.S. Justice Department filed its civil lawsuit against Standard & Poor's. The government is alleging that the credit ratings agency acted fraudulently in understating the risks inherent in mortgage backed securities, and is suing for \$5 billion. Attorney General Eric Holder stated that "Put simply, this alleged conduct is egregious - and it goes to the very heart of the recent financial crisis." S&P will likely cite its First Amendment rights of free speech in its defense. S&P's parent company, McGraw-Hill, fell a further 10.7 percent on Tuesday, following a 13.8 percent decline on Monday, while its main competitor, Moody's Corp, has slipped to \$45.09 from its \$55.35 close on Friday. Senator Carl Levin has been vocal about the failures of credit agencies in identifying the risks leading to the financial crisis and said on Tuesday that they "have yet to acknowledge any blame or make the changes necessary to prevent conflicts of interest from fueling more inflated ratings in the future."

The computer maker Dell Inc. announced Tuesday that is going to become a private company via a leveraged buyout after more than 20 years on the Nasdaq. The \$24 billion buyout is the largest since 2007. The founder, Michael Dell, is putting up his nearly 16% stake in the company, worth around \$3.8 billion under the current terms, into the deal alongside a stake from Silver Lake. It is understood that Microsoft also participated in the deal with a \$2 billion dollar loan. Overall it is expected that the buyout will leave the company with approximately \$13 billion of debt in addition to the loan from Microsoft. Standard & Poor's has indicated that Dell would lose its investment grade credit rating after the deal, with the buyout team aiming for a double B rating, down from S&P's current assessment of A-.

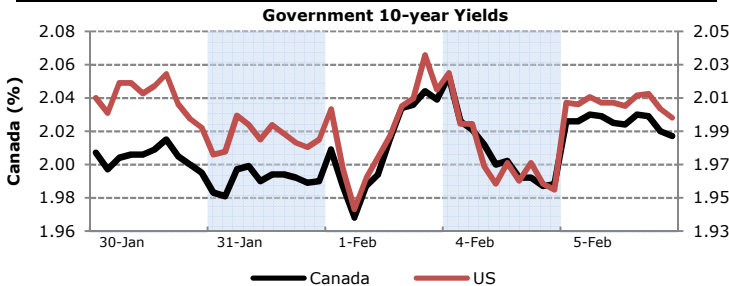
The Daily Roll is written by MFE Candidates Dipanker Koirala and Jan Varsava in partnership with the Rotman Finance Association. Please email dailyroll@economics.utoronto.ca to subscribe/unsubscribe.

Today's Major Economic Releases

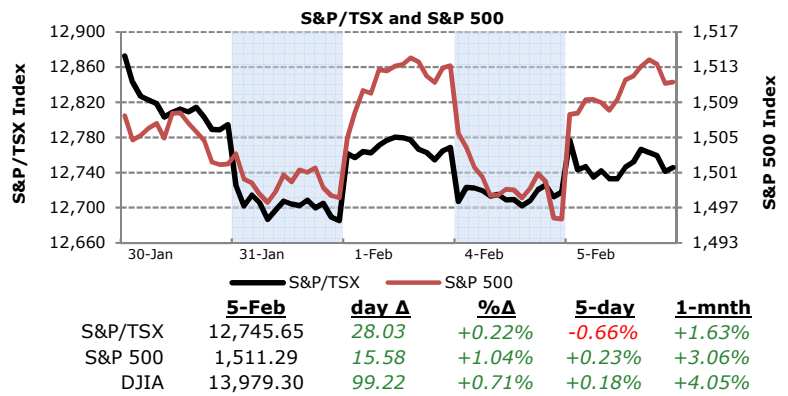
United States	Period	Survey	Actual	Prior
None Scheduled				

Canada	Period	Survey	Actual	Prior
None Scheduled				

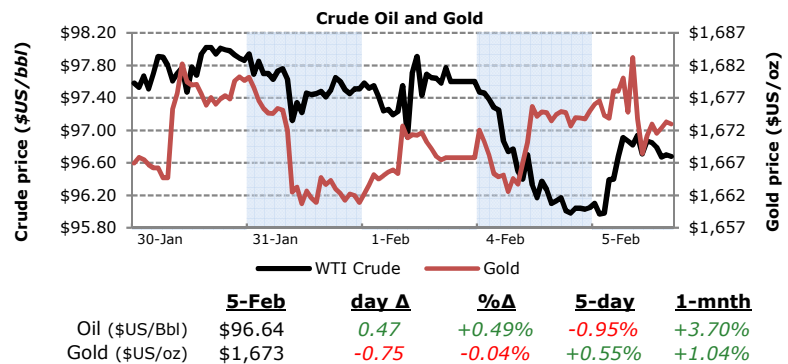
Interest Rates



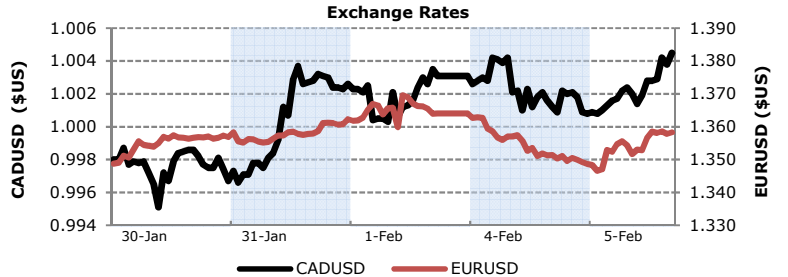
Equities



Commodities



Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	5-Feb	day Δ	Historical levels		
			-5 days	-1 mnth	-1 year
USDCAD	\$0.996	-0.003	1.001	0.986	0.997
EURUSD	\$1.358	+0.007	1.349	1.312	1.314
USDJPY	¥93.63	+1.250	90.730	87.79	79.55

	5-Feb	day Δ	Historical levels		
			-1 mnth	-3 mnths	-1 year
Government 10-year Yields					
Canada	2.02%	0.029%	1.94%	1.75%	1.97%
United States	2.00%	0.043%	1.90%	1.65%	1.91%

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.

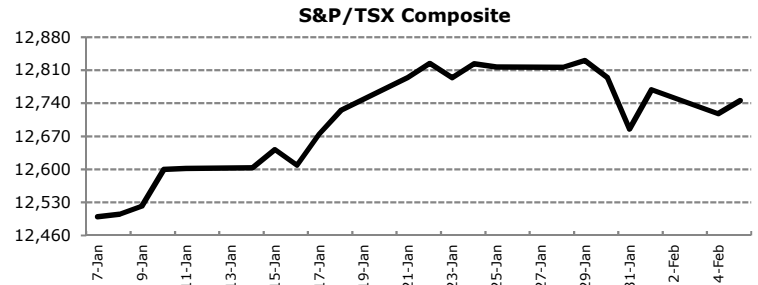
<http://www.rotman.utoronto.ca/financeassociation>

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	5-Feb	day Δ	%Δ
S&P/TSX	12,745.65	28.03	+0.22%
Trailing S&P/TSX TSX 60			
5-day	-0.66%	-1.00%	
1-month	+1.63%	+1.67%	
3-months	+3.18%	+3.46%	
6-months	+9.29%	+9.88%	
12-months	+1.34%	+2.08%	



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+0.15%	-1.30%	+3.60%	+19.13%
C. Staples	+0.72%	-0.06%	+0.19%	+22.31%
Energy	+0.57%	-0.49%	+1.22%	-10.46%
Financials	+0.01%	-1.12%	+1.89%	+11.28%
Healthcare	+0.23%	+0.60%	+6.88%	+10.13%
Info Tech	+2.25%	+2.71%	+13.37%	+11.93%
Industrials	+0.62%	-0.41%	+5.35%	+13.74%
Materials	-0.17%	-0.96%	-2.48%	-17.87%
Metals & Mining	+0.23%	-1.41%	-3.83%	-18.74%
Telecom	+0.35%	-0.39%	+2.22%	+11.32%
Utilities	+0.55%	-1.07%	+2.49%	+2.92%

TSX Top Performers

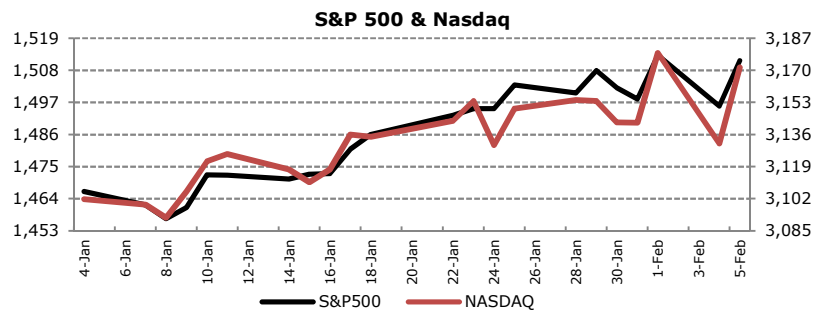
<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Fortuna Silver Mines Inc	+10.00%	+9.74%	+10.79%	-28.92%
Research In Motion	+6.34%	+1.46%	+34.51%	-3.57%
Chorus Aviation Inc - B	+4.48%	+6.88%	+15.06%	+17.38%
Martinrea International I	+4.17%	+5.20%	+14.60%	+0.00%
Enerplus Corp	+3.75%	+0.07%	+0.00%	-43.07%

TSX Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Torex Gold Resources Inc	-3.55%	-4.04%	-13.64%	-8.21%
Rubicon Minerals Corp	-2.90%	-2.90%	-4.49%	-42.65%
China Gold International	-2.32%	-1.46%	-6.65%	+7.32%
Rio Alto Mining Ltd	-2.25%	-2.97%	-0.38%	NA
Premier Gold Mines Ltd	-2.19%	+0.00%	-13.53%	-40.33%

US Indices

<i>Trailing</i>	S&P 500	DJIA	Nasdaq
5-Feb	1,511.29	13,979.30	3,171.58
1-day	+1.04%	+0.71%	+1.29%
5-day	+0.23%	+0.18%	+0.57%
1-month	+3.06%	+4.05%	+2.25%
3-months	+6.63%	+6.61%	+5.73%
6-months	+8.65%	+6.74%	+6.86%
12-months	+12.37%	+8.68%	+9.15%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+1.09%	-0.24%	+3.30%	+19.53%
C. Staples	+1.13%	+0.70%	+3.94%	+15.08%
Energy	+0.73%	-0.50%	+4.88%	+6.28%
Financials	+1.14%	+0.59%	+2.95%	+19.41%
Healthcare	+1.19%	+0.13%	+5.60%	+19.71%
Info Tech	+1.42%	+0.73%	+0.46%	+4.85%
Industrials	+0.94%	-0.26%	+3.57%	+9.26%
Materials	+0.53%	-0.71%	+1.62%	+3.60%
Telecom	+0.20%	+1.64%	+0.24%	+19.68%
Utilities	+0.19%	+0.00%	+2.03%	+4.96%

DJIA Top Performers

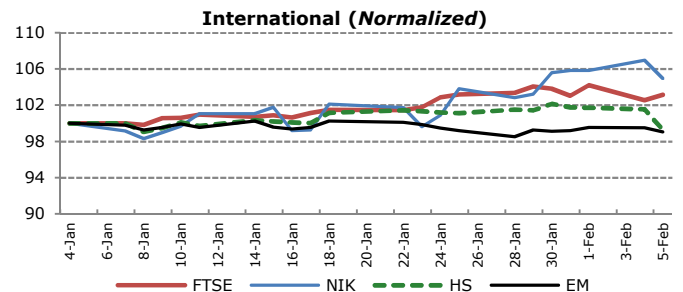
<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Unitedhealth Group Inc	+3.62%	+2.65%	+10.90%	+12.63%
Bank Of America Corp	+3.48%	+3.39%	-1.90%	+49.06%
Hewlett-Packard Co	+2.66%	+0.79%	+9.71%	-42.25%

DJIA Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Intl Business Machines Co	-0.49%	-0.54%	+4.54%	+5.17%
United Technologies Corp	-0.31%	-0.56%	+5.04%	+10.79%
Home Depot Inc	+0.05%	-1.21%	+5.08%	+46.88%

International Markets

<i>Trailing</i>	FTSE 100	Nikkei	Hang Seng	MSCI EM
Last Close	6,282.76	11,046.92	23,148.53	1,067.61
1-day	+0.58%	-1.90%	-2.27%	-0.48%
5-day	-0.89%	+2.06%	-2.14%	-0.21%
1-month	+3.17%	+3.36%	-0.78%	-0.95%
3-months	+7.60%	+22.64%	+5.19%	+6.68%
6-months	+8.56%	+29.13%	+17.71%	+12.05%
12-months	+6.47%	+25.08%	+11.52%	+1.84%



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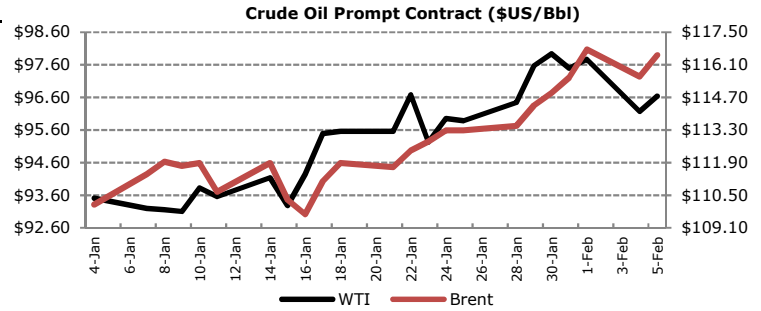
Nymex WTI Crude Oil

(\$US/Bbl)	5-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$96.64	+\$0.47	+0.49%	-0.95%	+3.70%
Cal 13	\$97.73	+\$0.50	+0.52%	-0.34%	+6.32%
Cal 14	\$95.00	+\$0.80	+0.85%	+0.73%	+4.01%

(\$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	\$97.53	\$98.26	\$97.77	\$96.69	\$95.00

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



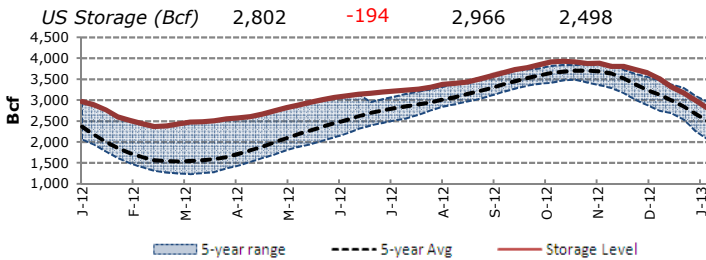
UK Brent Crude Oil

(\$US/Bbl)	5-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$116.52	+\$0.92	+0.79%	+1.89%	+4.60%

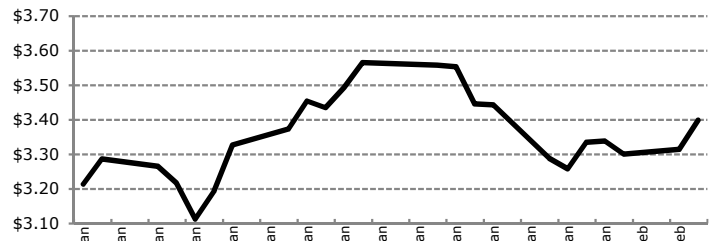
Nymex Natural Gas

(\$US/MMbtu)	5-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$3.40	+\$0.08	+2.53%	+4.33%	+3.41%
Apr13-Oct13	\$3.60	+\$0.08	+2.18%	+4.12%	-1.71%
Nov13-Mar14	\$4.02	+\$0.06	+1.44%	+2.91%	-0.88%
Apr14-Oct14	\$4.03	+\$0.05	+1.16%	+2.28%	-0.41%
Nov14-Mar15	\$4.38	+\$0.04	+1.03%	+2.83%	+3.26%

Inventory Levels (as of Jan-25)



Nat Gas Prompt (\$US/MMbtu)



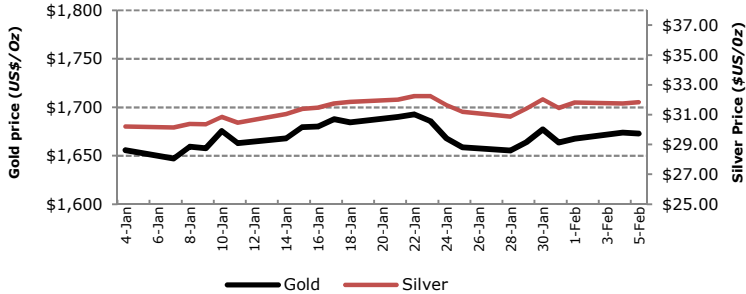
Alberta Natural Gas

(\$CAD/GJ)	5-Feb	day Δ	%Δ
AECO Mar-13	\$2.94	+\$0.07	+2.4%

Precious Metals

\$US/oz	5-Feb	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,672.95	-\$0.75	-0.0%	+0.5%	+1.0%	-2.6%
Silver	\$31.83	+\$0.08	+0.3%	+1.3%	+5.3%	+0.0%
Platinum	\$1,710	+\$13.00	+0.8%	+1.8%	+9.8%	+10.8%

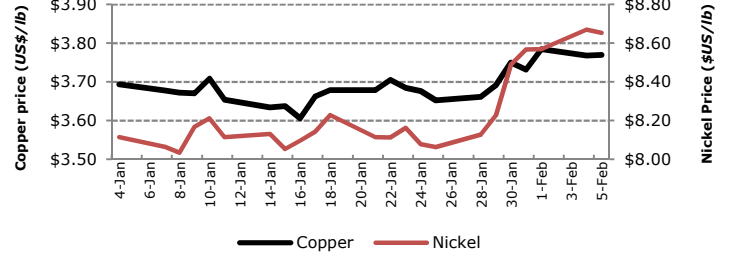
Gold and Silver



Industrial Metals

\$US/lb	5-Feb	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.77	+\$0.00	+0.0%	+2.1%	+2.1%	+9.5%
Nickel	\$8.65	-\$0.02	-0.2%	+5.2%	+6.6%	+15.2%
Zinc	\$1.06	+\$0.00	+0.2%	+3.8%	+5.5%	+13.4%
Aluminum	\$0.94	-\$0.01	-1.1%	+3.3%	+1.1%	+9.3%
Uranium	\$43.65	+\$0.00	0.0%	-0.2%	+1.5%	+7.4%

Copper and Nickel



Agriculture & Other

	5-Feb	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$7.29	-\$0.05	-0.7%	-0.1%	+7.2%
Wheat (\$US/bu)	\$7.58	-\$0.05	-0.7%	-2.5%	+1.4%
Soybeans (\$US/bu)	\$14.96	+\$0.07	+0.5%	+3.0%	+9.4%
Rough Rice (\$US/cwt)	\$16.15	+\$0.24	+1.5%	+4.0%	+5.7%
Sugar #11 (¢US/lb)	¢18.56	-¢0.17	-0.9%	+1.0%	-1.5%
Lean Hogs (¢US/lb)	¢87.70	-¢0.65	-0.7%	-2.1%	-2.4%
Live Cattle (¢US/lb)	¢132.30	+¢0.03	+0.0%	-0.5%	-3.3%
Cotton No.2 (\$US/lb)	\$0.82	-\$0.00	-0.3%	-1.1%	+8.6%
Lumber (\$US/Mbft)	\$379.00	+\$10.00	+2.7%	+7.6%	+0.8%

Commodity ETFs

	5-Feb	day Δ	%Δ	5-day	1-mnth
\$CAD					
HBP Crude Oil U	\$4.80	+\$0.05	+1.1%	-1.6%	+5.7%
HBP Nat Gas U	\$12.00	+\$0.63	+5.5%	+9.0%	+7.2%
HBP Comex Gold	\$16.65	-\$0.01	-0.1%	+0.5%	+1.4%
\$USD					
US Crude Oil	\$35.03	+\$0.25	+0.7%	-0.74%	+3.8%
US Nat Gas	\$19.18	+\$0.51	+2.7%	4.47%	+6.9%
PSDB Agriculture	\$27.69	-\$0.02	-0.1%	-0.22%	-0.6%
PSDB Base Metals	\$19.64	+\$0.02	+0.1%	2.77%	+1.7%

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Interest Rates

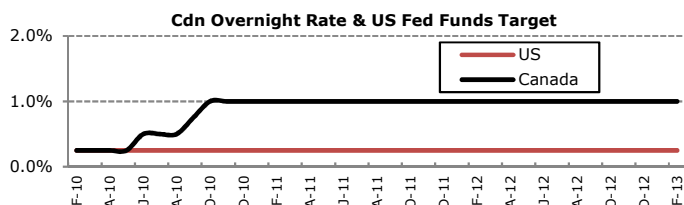
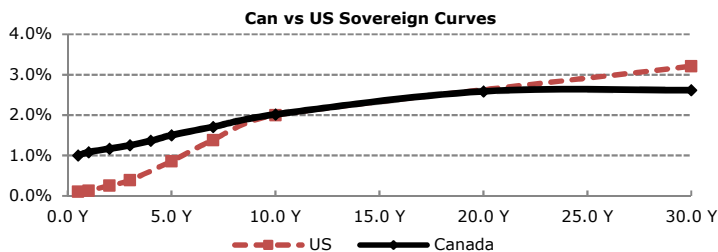
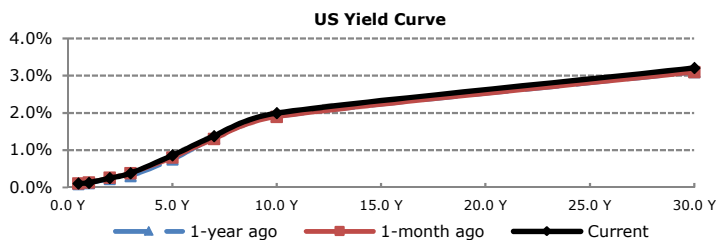
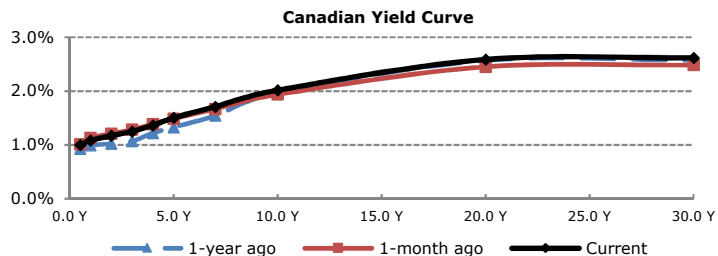
Canadian yield curve

	5-Feb	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.94%	-	0.92%	0.98%	0.89%
6-mnth	1.00%	-	1.01%	1.02%	0.93%
12-mnth	1.08%	+0.01%	1.13%	1.06%	0.99%
2-year	1.17%	+0.01%	1.21%	1.08%	1.02%
5-year	1.50%	+0.02%	1.49%	1.32%	1.33%
10-year	2.02%	+0.03%	1.94%	1.75%	1.97%
20-year	2.59%	+0.01%	2.45%	2.31%	2.57%
30-year	2.62%	+0.02%	2.48%	2.34%	2.58%

US yield curve

	5-Feb	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.07%	+0.02%	0.07%	0.10%	0.07%
6-mnth	0.11%	-	0.11%	0.14%	0.09%
12-mnth	0.13%	+0.01%	0.14%	0.17%	0.12%
2-year	0.25%	+0.00%	0.26%	0.27%	0.23%
5-year	0.86%	+0.03%	0.81%	0.68%	0.75%
10-year	2.00%	+0.04%	1.90%	1.65%	1.91%
30-year	3.21%	+0.05%	3.10%	2.83%	3.10%

	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	5-Feb	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
USDCAD	\$0.996	-0.003	0.986	0.992	0.997
EURUSD	\$1.358	+0.007	1.312	1.281	1.314
USDJPY	¥93.63	+1.250	87.79	80.35	79.55
GBPUSD	\$1.566	-0.010	1.612	1.600	1.583
AUDUSD	\$1.039	-0.005	1.050	1.044	1.071

Spot	5-Feb	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
CADJPY	¥94.05	+1.563	89.04	80.99	79.80
CADAUD	\$0.967	+0.007	0.966	0.966	0.937
GBPUSD	£1.559	-0.015	1.589	1.587	1.578
EURJPY	¥127.18	+2.340	115.15	102.97	104.54
EURAUD	\$1.31	+0.013	1.25	1.23	1.23

Economic Releases

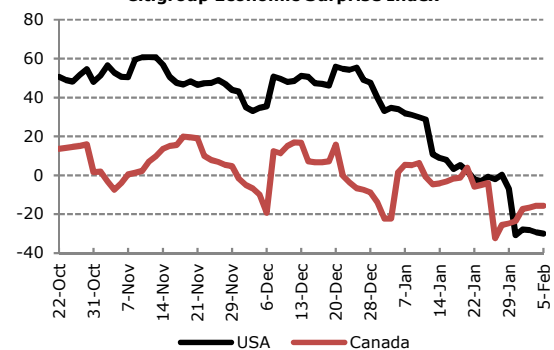
United States

		Period	Survey	Actual	Prior
Mon, Feb 04	Factory Orders	31-Dec	2.3%	1.8%	0%
Thu, Feb 07	Continuing Claims	26-Jan	3197K	--	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

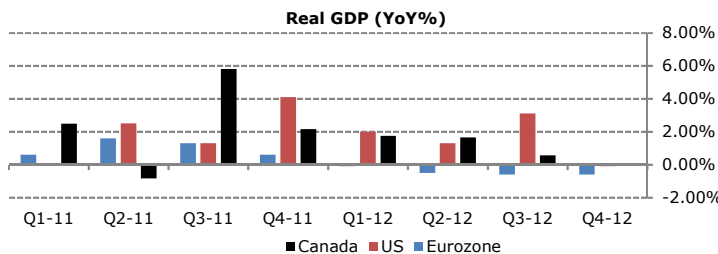
Canada	Q1-12	Q2-12	Q3-12	Q4-12	2012E
Real GDP	1.74%	1.65%	0.57%	NA	2.00%
CPI	2.33%	1.57%	1.23%	0.93%	1.60%
Unemployment	7.20%	7.20%	7.30%	7.10%	7.30%

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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