

Today's Commentary

The S&P 500 declined -0.39% to 1,838.70 on Friday while the TSX gained +0.41% to 13,888.21. Bonds continued to gain as US 10 year notes are yielding 2.82%, while Canadian 10 years are yielding 2.49%. As today is Martin Luther King Jr. Day, US markets are closed and economic data releases are light to start the week. US data releases will resume Thursday, while Canadian Retail and Wholesale Sales will come out tomorrow, followed by the Bank of Canada's rate decision on Wednesday.

Growth in China slowed in the last quarter as gains in factory output and investment spending eased. China's GDP grew 7.7% in 2013. However, China's economy grew 1.8% in the fourth quarter from the previous quarter, compared with economists' median estimates of 2%. The Chinese stock market sank 0.7% as concerns continue to mount that the economy is losing momentum and additional credit clampdown will add further pressure on the growth of the Chinese economy. With new IPOs and mixed company earnings, there may be room for further declines. The Shanghai Composites dropped below 2000 for the first time since July.

Deutsche Bank (DBK) shares fell as much as 5.3% after a surprise Q4 loss, due to legal costs and accounting charges. Europe's biggest investment bank by revenue, reported a pretax loss of 1.15B EUR (\$1.56B USD), 528M of which was in litigation-related expenses. Deutsche Bank settled a lawsuit in Q4 which alleged its deceit of clients in regards to products linked to US mortgages and a probe into traders colluding to rig benchmark interest rates. Deutsche Bank had 2.3B EUR set aside for legal costs at the end of December, down from 4.1B EUR three months earlier. The company reached at least three settlements with regulators and clients last month, its filings show. Deutsche Bank Co-CEOs Anshu Jain and Juergen Fitschen said in a statement they are "confident" the bank can reach targets they set for 2015.

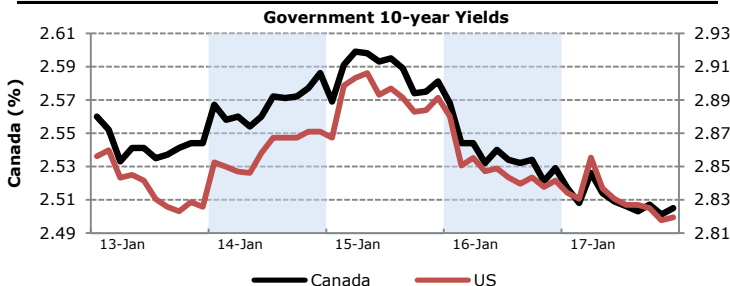
The Daily Roll is written by MFE Candidates Luke Ostapiak, Wendy Ren and Tony Wu in partnership with the Rotman Finance Association. Please email dailyroll@economics.utoronto.ca to subscribe/unsubscribe.

Today's Major Economic Releases

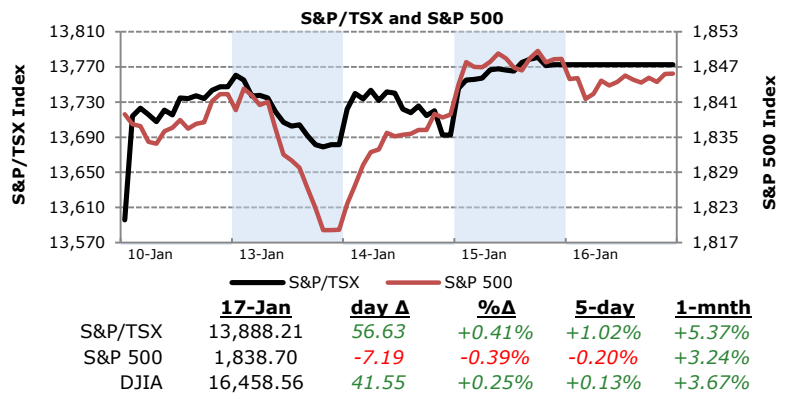
United States	Period	Survey	Actual	Prior
None Scheduled				

Canada	Period	Survey	Actual	Prior
None Scheduled				

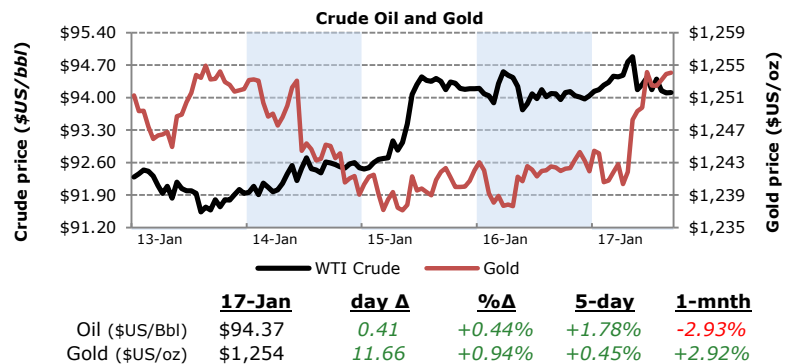
Interest Rates



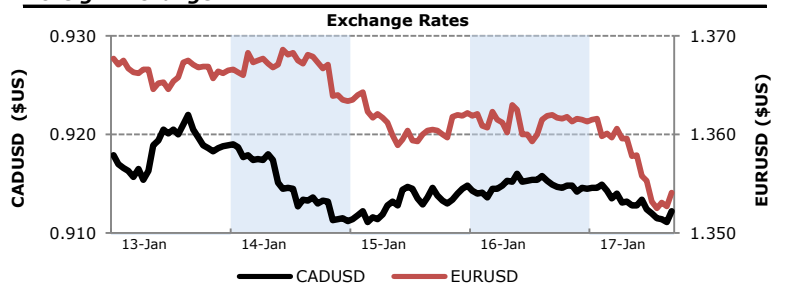
Equities



Commodities



Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	17-Jan	day Δ	Historical levels		
			-5 days	-1 mnth	-1 year
USDCAD	\$1.096	+0.003	1.089	1.061	0.993
EURUSD	\$1.354	-0.008	1.367	1.377	1.331
USDJPY	¥104.32	-0.030	104.180	102.67	89.60

Government 10-year Yields	17-Jan	day Δ	Historical levels		
			-1 mnth	-3 mnths	-1 year
Canada	2.51%	-0.024%	2.68%	2.53%	1.95%
United States	2.82%	-0.022%	2.89%	2.58%	1.88%

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>

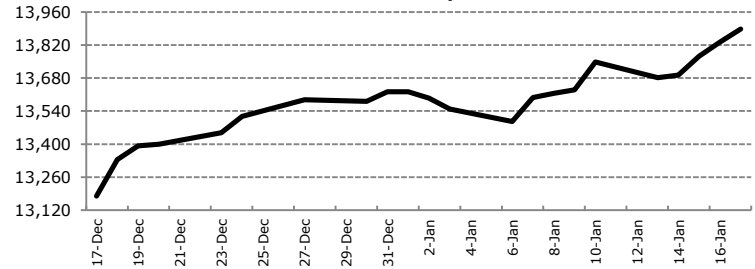
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S&P/TSX Composite

	17-Jan	day Δ	%Δ
S&P/TSX	13,888.21	56.63	+0.41%
Trailing S&P/TSX TSX 60			
5-day		+1.02%	+0.94%
1-month		+5.37%	+5.61%
3-months		+6.53%	+6.71%
6-months		+10.50%	+10.59%
12-months		+9.57%	+9.91%



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+0.48%	+0.86%	+3.81%	+37.03%
C. Staples	+0.46%	+0.88%	+2.87%	+23.13%
Energy	+0.13%	-0.04%	+3.41%	+8.01%
Financials	+0.31%	+0.29%	+3.32%	+19.38%
Healthcare	-0.03%	+1.50%	+17.09%	+47.68%
Info Tech	+1.37%	+2.55%	+9.40%	+28.72%
Industrials	-0.30%	-1.35%	+1.81%	+26.43%
Materials	+1.66%	+5.81%	+14.36%	-23.81%
Metals & Mining	-0.43%	+9.81%	+20.17%	-16.91%
Telecom	-0.09%	+0.96%	+2.29%	+6.68%
Utilities	-0.63%	-0.38%	+2.70%	-11.00%

TSX Top Performers

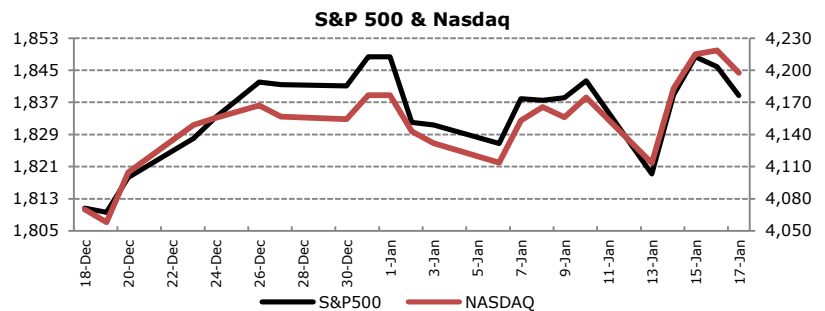
	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Torex Gold Resources Inc		+10.17%	+18.18%	+23.81%	-38.10%
Detour Gold Corp		+8.42%	+17.27%	+38.26%	-74.08%
Aurico Gold Inc		+8.37%	+24.65%	+39.01%	-34.20%
B2Gold Corp		+8.30%	+19.13%	+22.32%	-30.98%
Semafo Inc		+8.13%	+18.09%	+34.46%	+4.97%

TSX Worst Performers

	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Alaris Royalty Corp		-5.38%	-9.69%	-8.97%	+1.35%
Snclavalin Group Inc		-3.58%	-2.68%	+2.57%	+8.93%
Turquoise Hill Resources		-3.10%	+13.69%	+19.01%	-37.54%
Dorel Industries-CI B		-2.93%	-3.83%	+2.36%	+1.78%
Ithaca Energy Inc		-2.71%	-9.39%	-6.69%	+34.22%

US Indices

	S&P 500	DJIA	Nasdaq
Trailing			
17-Jan	1,838.70	16,458.56	4,197.58
1-day	-0.39%	+0.25%	-0.50%
5-day	-0.20%	+0.13%	+0.55%
1-month	+3.24%	+3.67%	+4.32%
3-months	+6.09%	+7.07%	+8.66%
6-months	+9.39%	+6.39%	+16.28%
12-months	+24.16%	+21.05%	+33.85%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	-0.48%	-1.89%	+1.00%	+30.90%
C. Staples	-0.80%	-0.86%	+0.56%	+15.33%
Energy	-0.05%	-1.12%	+1.46%	+13.73%
Financials	-0.35%	-0.50%	+4.14%	+27.97%
Healthcare	-0.06%	+0.50%	+6.59%	+35.61%
Info Tech	-0.55%	+1.41%	+4.45%	+23.84%
Industrials	-0.54%	-0.29%	+3.26%	+30.70%
Materials	-0.21%	+0.54%	+3.84%	+17.29%
Telecom	-0.54%	+0.64%	+0.39%	+4.74%
Utilities	-0.03%	-0.42%	+1.99%	+7.48%

DJIA Top Performers

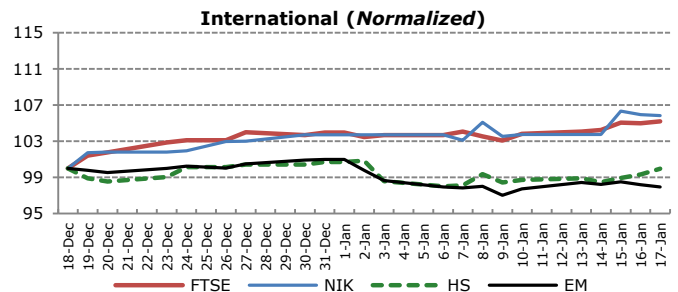
	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Visa Inc-Class A Shares		+4.69%	+5.00%	+8.88%	+45.22%
American Express Co		+3.63%	+2.73%	+8.16%	+49.77%
Intl Business Machines Co		+0.70%	+1.51%	+8.15%	-1.84%

DJIA Worst Performers

	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Intel Corp		-2.60%	+1.25%	+4.91%	+13.98%
General Electric Co		-2.28%	-1.41%	-1.66%	+24.79%
Nike Inc -CI B		-1.87%	-4.59%	-4.39%	+37.23%

International Markets

	FTSE 100	Nikkei	Hang Seng	MSCI EM
Trailing				
Last Close	6,829.30	15,734.46	23,133.35	972.27
1-day	+0.20%	-0.08%	+0.64%	-0.24%
5-day	+1.33%	-1.12%	+1.26%	+0.22%
1-month	+5.29%	+2.98%	+0.28%	-1.84%
3-months	+3.85%	+7.87%	+0.17%	-5.97%
6-months	+3.92%	+7.66%	+8.24%	+1.34%
12-months	+11.36%	+48.30%	-0.88%	-9.40%



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Nymex WTI Crude Oil

(\$US/Bbl)	17-Jan	day Δ	%Δ	5-day	1-mnth
Prompt	\$94.37	+\$0.41	+0.44%	+1.78%	-2.93%
Cal 14	\$92.30	+\$0.55	+0.59%	+1.28%	-3.18%
Cal 15	\$85.27	+\$0.53	+0.62%	+0.62%	-3.61%

(\$US/bbl)	Q2-14	Q3-14	Q4-14	Q1-15	2015
Consensus Forecast	\$95.00	\$96.00	\$95.00	\$94.45	\$94.71
Current Forward	\$93.97	\$91.85	\$89.64	\$87.63	\$85.27

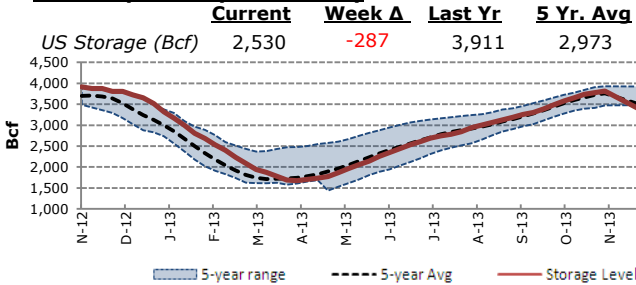
Inventory Levels (as of Jan-10)

(MBbls)	Current	Week Δ	Last Yr	5 Yr. Avg
Crude Oil	388,463	+375	337,426	319,411
Motor Gas	233,142	+23,944	214,389	200,481
Distillates	123,950	+6,614	171,756	140,851

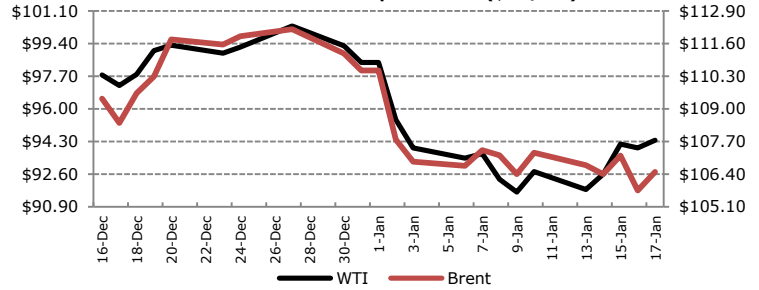
Nymex Natural Gas

(\$US/MMbtu)	17-Jan	day Δ	%Δ	5-day	1-mnth
Prompt	\$4.33	-\$0.06	-1.28%	+6.74%	+1.76%
Feb14-Mar14	\$4.16	-\$0.04	-0.95%	+5.23%	+0.42%
Apr14-Oct14	\$4.10	-\$0.03	-0.62%	+4.31%	+0.63%
Nov14-Mar15	\$4.27	-\$0.02	-0.51%	+3.45%	+1.97%
Apr15-Oct15	\$3.98	-\$0.02	-0.52%	+1.97%	-4.43%

Inventory Levels (as of Jan-10)



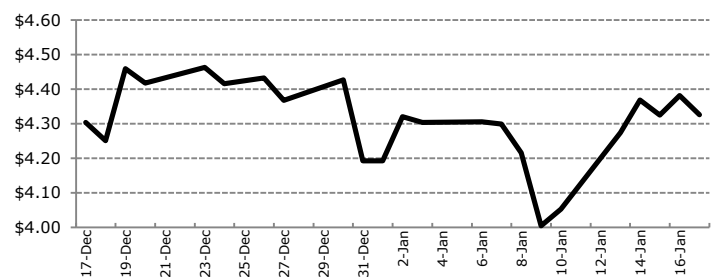
Crude Oil Prompt Contract (\$US/Bbl)



UK Brent Crude Oil

(\$US/Bbl)	17-Jan	day Δ	%Δ	5-day	1-mnth
Prompt	\$106.48	+\$0.73	+0.69%	-0.72%	-1.81%

Nat Gas Prompt (\$US/MMbtu)



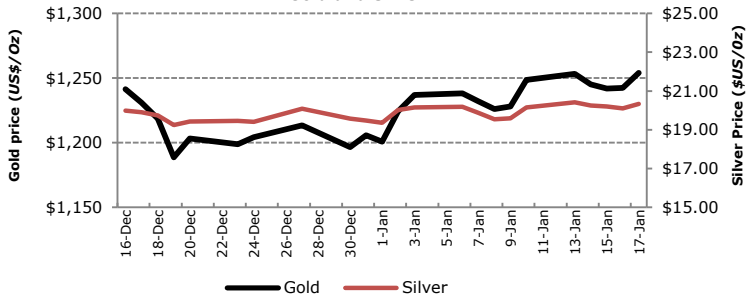
Alberta Natural Gas

(\$CAD/GJ)	17-Jan	day Δ	%Δ
AECO Feb-14	\$3.85	-\$0.06	-1.5%

Precious Metals

\$US/oz	17-Jan	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,254.05	+\$11.66	+0.9%	+0.4%	+2.9%	-6.9%
Silver	\$20.33	+\$0.23	+1.1%	+0.8%	+3.0%	-10.5%
Platinum	\$1,454	+\$21.50	+1.5%	+1.2%	+8.9%	+0.2%

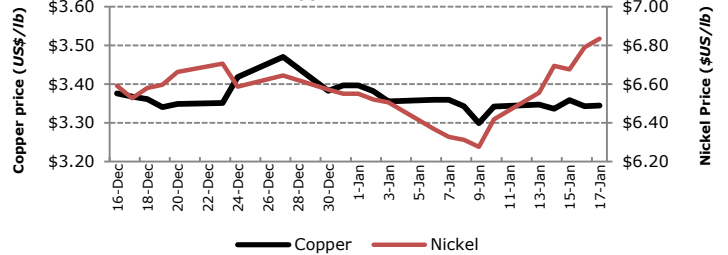
Gold and Silver



Industrial Metals

\$US/lb	17-Jan	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.34	+\$0.00	+0.1%	+0.1%	-0.5%	+2.5%
Nickel	\$6.83	+\$0.05	+0.7%	+6.5%	+3.9%	+1.1%
Zinc	\$1.03	-\$0.01	-0.6%	+2.1%	+3.3%	+8.8%
Aluminum	\$0.80	+\$0.00	0.0%	+2.6%	0.0%	-2.4%
Uranium	\$36.05	+\$0.70	+2.0%	+2.9%	+4.0%	+3.9%

Copper and Nickel



Agriculture & Other

	17-Jan	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$4.24	-\$0.04	-0.9%	-2.0%	-1.5%
Wheat (\$US/bu)	\$5.64	-\$0.09	-1.6%	-1.0%	-7.7%
Soybeans (\$US/bu)	\$13.17	+\$0.01	+0.1%	+3.0%	-0.2%
Rough Rice (\$US/cwt)	\$15.60	+\$0.02	+0.1%	-0.3%	+1.9%
Sugar #11 (¢US/lb)	¢15.22	¢0.23	-1.5%	-2.2%	-5.8%
Lean Hogs (¢US/lb)	¢91.90	¢0.35	-0.4%	+1.0%	+0.8%
Live Cattle (¢US/lb)	¢139.30	¢0.08	+0.1%	+1.7%	+3.9%
Cotton No.2 (\$US/lb)	\$0.87	+\$0.01	+0.7%	+5.1%	+4.2%
Lumber (\$US/Mbft)	\$369.80	+\$3.10	+0.8%	+0.3%	-2.1%

Commodity ETFs

	17-Jan	day Δ	%Δ	5-day	1-mnth
\$CAD					
HBP Crude Oil U	\$4.22	+\$0.00	+0.0%	+2.9%	-7.3%
HBP Nat Gas U	\$12.65	-\$0.48	-3.7%	+9.6%	-2.4%
iShares Gold ETF	\$11.14	+\$0.11	+1.0%	+0.4%	+2.1%
\$USD					
US Crude Oil	\$33.69	+\$0.04	+0.1%	1.51%	-4.6%
US Nat Gas	\$20.88	-\$0.39	-1.8%	5.40%	-4.0%
PSDB Agriculture	\$24.16	-\$0.19	-0.8%	-0.33%	-1.3%
PSDB Base Metals	\$16.82	+\$0.09	+0.5%	1.57%	+2.7%

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Interest Rates

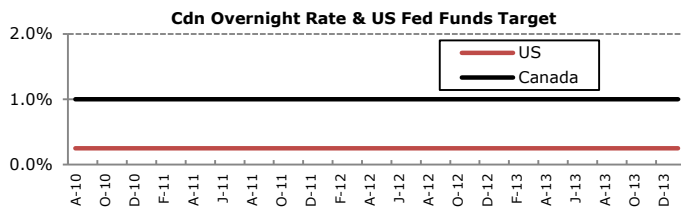
Canadian yield curve

	17-Jan	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.89%	-	0.90%	0.92%	0.92%
6-mnth	0.92%	-	0.95%	0.95%	0.99%
12-mnth	0.95%	-0.01%	0.98%	1.02%	1.11%
2-year	1.02%	-0.02%	1.11%	1.18%	1.20%
5-year	1.70%	-0.03%	1.82%	1.83%	1.49%
10-year	2.51%	-0.02%	2.68%	2.53%	1.95%
20-year	2.96%	-0.02%	3.14%	3.03%	2.49%
30-year	3.07%	-0.02%	3.22%	3.10%	2.51%

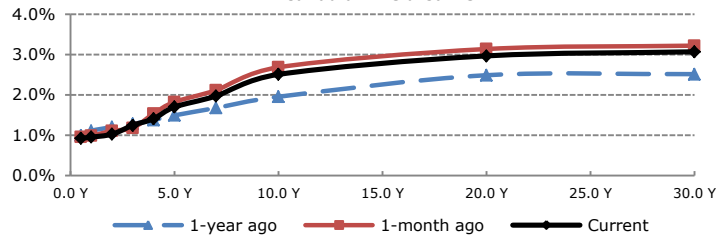
US yield curve

	17-Jan	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.03%	-	0.06%	0.02%	0.07%
6-mnth	0.06%	-	0.09%	0.07%	0.10%
12-mnth	0.10%	-	0.13%	0.11%	0.14%
2-year	0.37%	-0.01%	0.33%	0.31%	0.26%
5-year	1.63%	-0.01%	1.54%	1.33%	0.79%
10-year	2.82%	-0.02%	2.89%	2.58%	1.88%
30-year	3.75%	-0.02%	3.91%	3.64%	3.07%

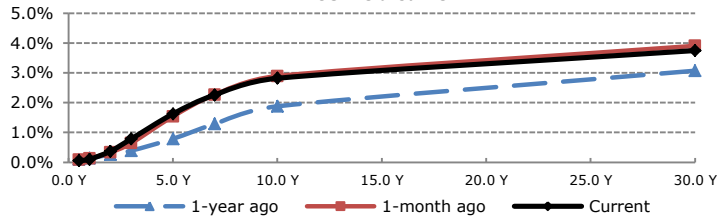
	Current	Prior	Next Meeting	Survey
Cdn Overnight	1.00%	1.00%	0-Jan-00	1.00%
US Fed Funds	0.25%	0.25%	0-Jan-00	0.25%



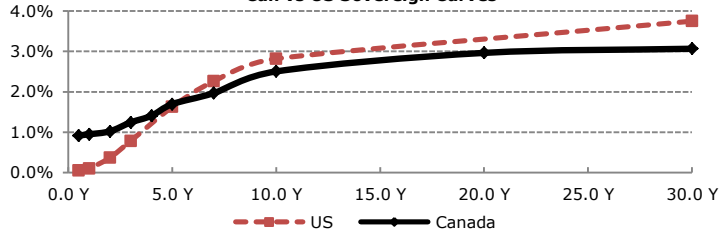
Canadian Yield Curve



US Yield Curve



Can vs US Sovereign Curves



Foreign Exchange

(USDCAD implies 1-USD to CAD)

Spot	17-Jan	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
USDCAD	\$1.096	+0.003	1.061	1.029	0.993
EURUSD	\$1.354	-0.008	1.377	1.368	1.331
USDJPY	¥104.32	-0.030	102.67	97.91	89.60
GBPUSD	\$1.642	+0.007	1.626	1.617	1.583
AUDUSD	\$0.878	-0.004	0.890	0.964	1.052

Spot	17-Jan	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
CADJPY	¥95.14	-0.320	96.79	95.15	90.24
CADAUD	\$1.039	+0.002	1.060	1.008	0.958
GBPCAD	£1.801	+0.013	1.725	1.664	1.572
EURJPY	¥141.25	-0.870	141.35	133.90	119.30
EURAUD	\$1.54	-0.002	1.55	1.42	1.27

Economic Releases

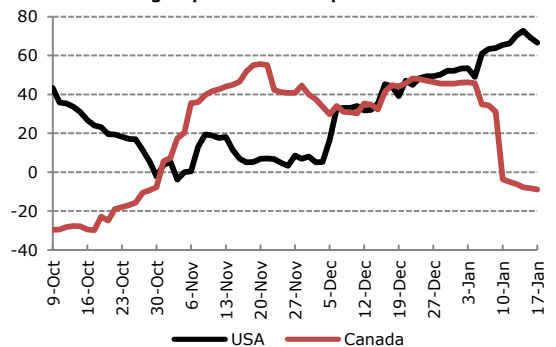
United States

		Period	Survey	Actual	Prior
Thu, Jan 23	Leading Indicators	31-Dec	0.2%	--	0.8%
Thu, Jan 23	Existing Home Sales	31-Dec	4.95M	--	4.9M
Thu, Jan 23	Continuing Claims	11-Jan	2900K	--	3030K
Thu, Jan 23	Initial Jobless Claims	18-Jan	330K	--	0K

Canada

		Period	Survey	Actual	Prior
Tue, Jan 21	Manufacturing Sales (MoM)	30-Nov	0.3%	--	1%
Thu, Jan 23	Retail Sales (MoM)	30-Nov	0.2%	--	-0.1%
Fri, Jan 24	BOC CPI Core (YoY)	31-Dec	1.3%	--	1.1%
Fri, Jan 24	Consumer Price Index	31-Dec	1.3%	--	0%

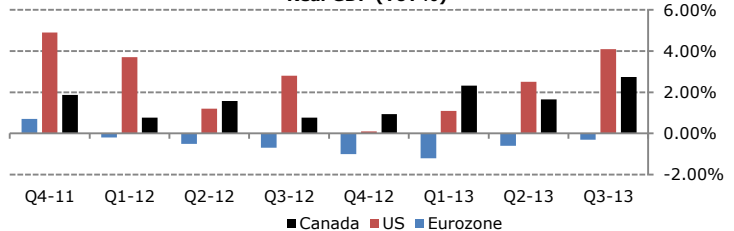
Citigroup Economic Surprise Index



Economics

	Q4-12	Q1-13	Q2-13	Q3-13	2013E
Canada					
Real GDP	0.93%	2.32%	1.65%	2.74%	1.70%
CPI	0.93%	0.90%	0.77%	1.17%	1.00%
Unemployment	7.10%	7.20%	7.10%	6.90%	7.05%
US					
Real GDP	0.10%	1.10%	2.50%	4.10%	1.90%
CPI	1.90%	1.70%	1.43%	1.57%	1.50%
Unemployment	7.90%	7.50%	7.50%	7.20%	7.40%
China					
Real GDP	7.90%	7.70%	7.50%	7.80%	7.65%

Real GDP (YoY%)



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