

## Today's Commentary

Stocks fell to start the week with the S&P closing at 1,819.20 (-1.26%) and the TSX at 13,681.48 (-0.48%). Bonds were largely unchanged with the US 10 year yielding 2.85% (-1bp) and the Canadian 10 year flat at 2.56%. Gold and Crude Oil (WTI) had little change, closing at 1249.80 USD/t oz. and 92.09 USD/bbl respectively. This morning there is no data for Canada being released, while in the US, Retail Sales beat expectations slightly with a reading of +0.2% m/m (expected 0.1%).

US retail sales rose more than estimated in December, as year-end discounts were met with a gauge of consumer spending. Holiday-season deals and increased consumer confidence most likely supported household spending, overcoming the coldest December in four years. Core retail sales, which excludes auto, gasoline, building materials and food services, increase 0.7% last month after a 0.2% increase in November. Bad weather last month slowed sales in auto purchases, falling to 15.3M annualized rate from a 16.3M pace in November.

UK inflation unexpectedly slowed in December, cooling to the target 2% for the first time in more than 4 years. The consumer price eased to 2% from 2.1% in November. The downward price pressure from food products was offset by the upward price pressure from gasoline and electricity costs. The cool down in inflation may help the Bank of England to keep its target rate low for longer periods. The return to the target will allowed the BOE to reinstate its stand that the central bank will remain accommodating even through the unemployment is falling faster than anticipated. The pound pared some gains against the dollar after the CPI release, trading at 1.6408 during the London trading session.

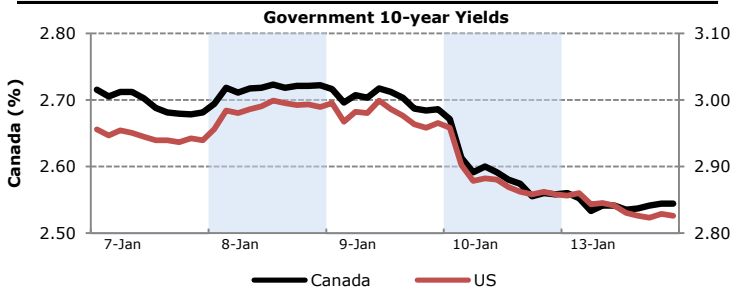
The Daily Roll is written by MFE Candidates Luke Ostapiak, Wendy Ren and Tony Wu in partnership with the Rotman Finance Association. Please email [dailyroll@economics.utoronto.ca](mailto:dailyroll@economics.utoronto.ca) to subscribe/unsubscribe.

## Today's Major Economic Releases

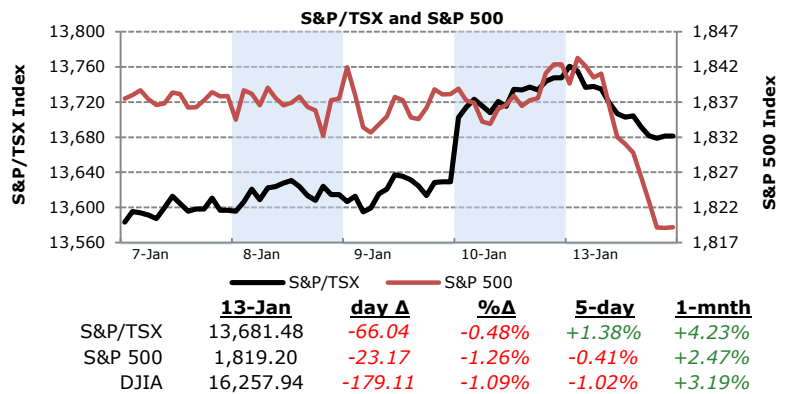
United States	Period	Survey	Actual	Prior
Retail Sales	31-Dec	0.1%	0.2%	0.4%

Canada	Period	Survey	Actual	Prior
None Scheduled				

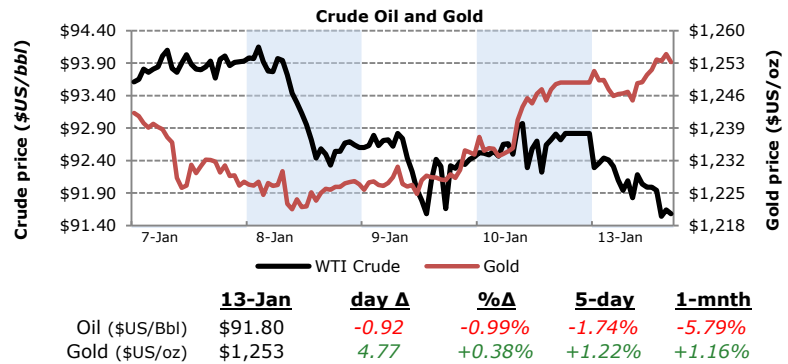
## Interest Rates



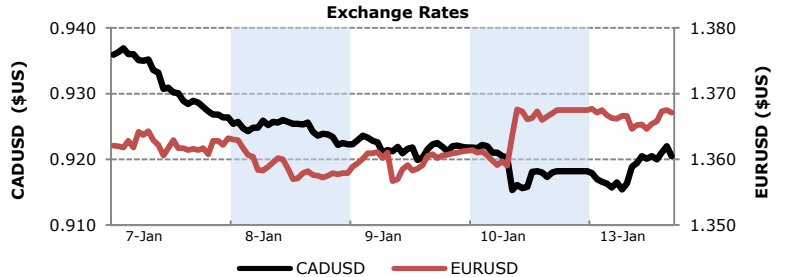
## Equities



## Commodities



## Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	13-Jan	day Δ	Historical levels		
			-5 days	-1 mnth	-1 year
USDCAD	\$1.086	-0.003	1.066	1.059	0.984
EURUSD	\$1.367	+0.000	1.363	1.379	1.331
USDJPY	¥103.00	-1.180	104.220	102.42	88.79

Government 10-year Yields

	13-Jan	day Δ	Historical levels		
			-1 mnth	-3 mnths	-1 year
Canada	2.54%	-0.014%	2.66%	2.65%	1.94%
United States	2.83%	-0.032%	2.86%	2.73%	1.87%

## 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>

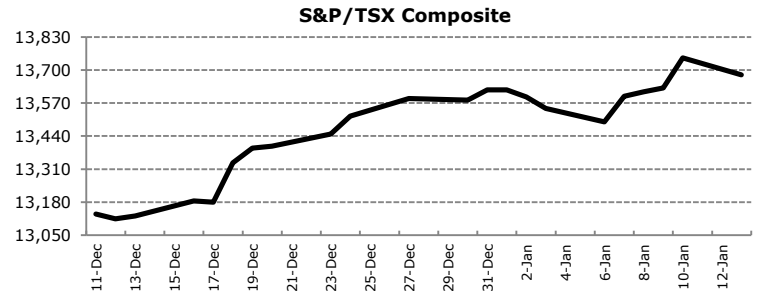
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	<b>13-Jan</b>	<b>day Δ</b>	<b>%Δ</b>
<b>S&amp;P/TSX</b>	13,681.48	-66.04	-0.48%

	<b>Trailing S&amp;P/TSX</b>	<b>TSX 60</b>
5-day	+1.38%	+1.75%
1-month	+4.23%	+4.59%
3-months	+6.12%	+6.22%
6-months	+9.78%	+10.22%
12-months	+8.56%	+8.96%



### TSX Sector Returns

	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
C. Discretionary	-0.65%	+0.99%	+3.27%	+38.22%
C. Staples	-0.45%	+1.08%	+2.61%	+22.68%
Energy	-1.31%	+0.13%	+1.40%	+6.81%
Financials	-0.38%	+0.40%	+3.21%	+19.42%
Healthcare	-1.00%	+8.53%	+15.13%	+44.52%
Info Tech	-1.22%	+0.42%	+8.75%	+27.95%
Industrials	-1.10%	+1.09%	+2.11%	+27.69%
Materials	+1.07%	+3.44%	+10.14%	-27.39%
Metals & Mining	+0.38%	+0.50%	+9.47%	-24.94%
Telecom	+0.41%	+0.82%	+1.66%	+7.14%
Utilities	-0.13%	+1.33%	+2.88%	-9.73%

### TSX Top Performers

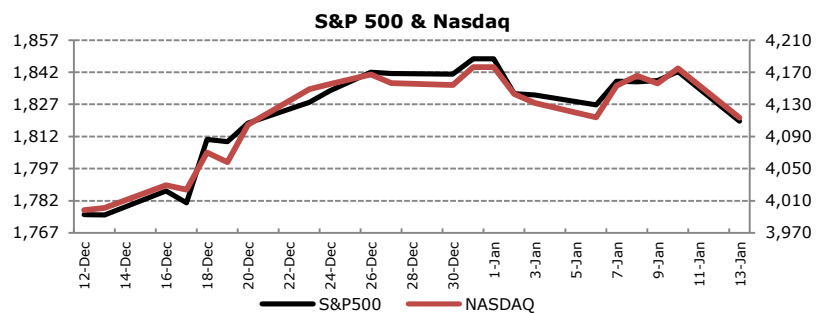
	<b>Ranked by 1-day</b>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Osisko Mining Corp		+20.70%	+23.81%	+40.54%	-20.20%
Fortuna Silver Mines Inc		+11.66%	+15.19%	+23.39%	-12.50%
Detour Gold Corp		+9.87%	+11.99%	+32.80%	-75.82%
Torex Gold Resources Inc		+9.09%	+18.81%	+16.50%	-43.40%
Argonaut Gold Inc		+8.69%	+5.63%	+3.68%	-41.84%

### TSX Worst Performers

	<b>Ranked by 1-day</b>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Alaris Royalty Corp		-7.33%	-11.28%	-18.64%	+6.70%
Savanna Energy Services C		-5.78%	-6.90%	-3.57%	+8.30%
Trinidad Drilling Ltd		-5.46%	-5.46%	-7.65%	+31.19%
Fairfax Financial Hldgs L		-4.93%	-2.77%	+1.82%	+13.06%
Westport Innovations Inc		-4.81%	-4.50%	+5.00%	-25.45%

### US Indices

	<b>S&amp;P 500</b>	<b>DJIA</b>	<b>Nasdaq</b>
Trailing			
13-Jan	1,819.20	16,257.94	4,113.31
1-day	-1.26%	-1.09%	-1.47%
5-day	-0.41%	-1.02%	-0.01%
1-month	+2.47%	+3.19%	+2.81%
3-months	+6.81%	+6.70%	+8.48%
6-months	+8.27%	+5.13%	+14.26%
12-months	+23.58%	+20.53%	+31.60%



### S&P 500 Sector Returns

	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
C. Discretionary	-1.94%	-1.31%	+1.33%	+33.15%
C. Staples	-0.64%	-0.22%	+0.29%	+16.88%
Energy	-1.90%	-1.92%	+1.02%	+14.38%
Financials	-1.48%	-0.92%	+3.06%	+26.91%
Healthcare	-0.80%	+2.24%	+4.98%	+34.84%
Info Tech	-1.01%	-0.38%	+2.97%	+20.63%
Industrials	-1.13%	-0.21%	+3.35%	+31.16%
Materials	-1.42%	-1.09%	+2.80%	+15.32%
Telecom	-1.10%	-3.71%	-1.54%	+0.20%
Utilities	-0.92%	+1.45%	+1.86%	+7.00%

### DJIA Top Performers

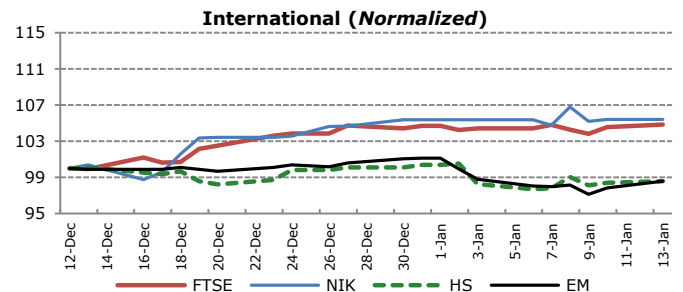
	<b>Ranked by 1-day</b>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Merck & Co. Inc.		+6.50%	+6.80%	+9.80%	+22.88%
Cisco Systems Inc		-0.09%	+0.82%	+9.63%	+8.35%
Intel Corp		-0.12%	+0.16%	+4.98%	+15.91%

### DJIA Worst Performers

	<b>Ranked by 1-day</b>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Microsoft Corp		-2.91%	-3.24%	-4.63%	+30.41%
Walt Disney Co/The		-2.81%	-3.36%	+5.24%	+44.86%
Nike Inc -CI B		-2.26%	-2.91%	-1.60%	+41.58%

### International Markets

	<b>FTSE 100</b>	<b>Nikkei</b>	<b>Hang Seng</b>	<b>MSCI EM</b>
Trailing				
Last Close	6,757.15	-	22,888.76	977.42
1-day	+0.26%	-	+0.19%	+0.75%
5-day	+0.39%	+0.02%	+0.90%	+0.51%
1-month	+4.93%	+0.00%	-1.54%	-1.32%
3-months	+4.16%	+6.93%	-1.42%	-4.48%
6-months	+3.24%	+6.18%	+7.57%	+3.39%
12-months	+10.38%	+42.60%	-1.61%	-8.91%



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### Nymex WTI Crude Oil

(\$US/Bbl)	13-Jan	day Δ	%Δ	5-day	1-mnth
Prompt	\$91.80	-\$0.92	-0.99%	-1.74%	-5.79%
Cal 14	\$90.31	-\$0.83	-0.91%	-1.80%	-2.33%
Cal 15	\$84.19	-\$0.55	-0.65%	-2.57%	-4.49%

(\$US/bbl)	Q2-14	Q3-14	Q4-14	Q1-15	2015
Consensus Forecast	\$95.00	\$96.00	\$95.00	\$94.45	\$95.00
Current Forward	\$91.69	\$90.04	\$88.13	\$86.29	\$84.19

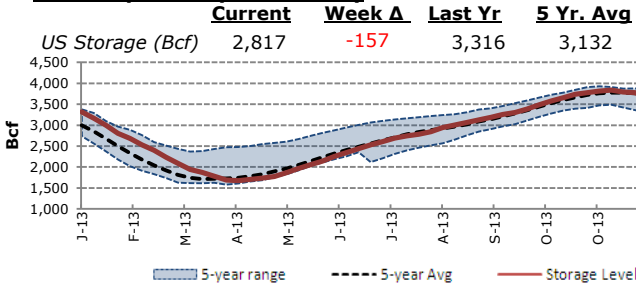
### Inventory Levels (as of Jan-03)

(MMbbls)	Current	Week Δ	Last Yr	5 Yr. Avg
Crude Oil	357,892	-2,675	337,426	319,411
Motor Gas	226,959	+6,243	214,389	200,481
Distillates	124,973	+5,826	171,756	140,851

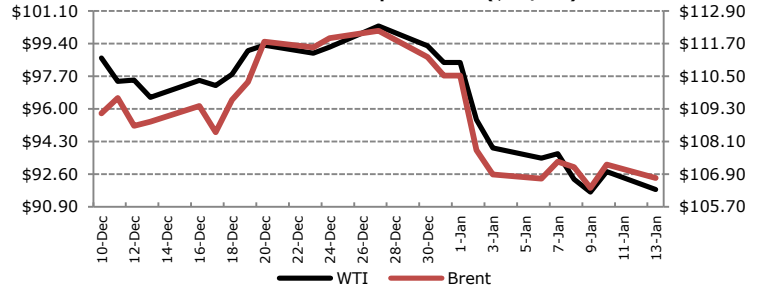
### Nymex Natural Gas

(\$US/MMbtu)	13-Jan	day Δ	%Δ	5-day	1-mnth
Prompt	\$4.27	+\$0.22	+5.45%	-0.74%	-3.06%
Feb14-Mar14	\$4.13	+\$0.17	+4.33%	-2.24%	+1.39%
Apr14-Oct14	\$4.07	+\$0.14	+3.51%	-3.13%	+1.27%
Nov14-Mar15	\$4.24	+\$0.12	+2.79%	-3.31%	+2.65%
Apr15-Oct15	\$3.97	+\$0.07	+1.80%	-3.09%	-3.39%

### Inventory Levels (as of Jan-03)



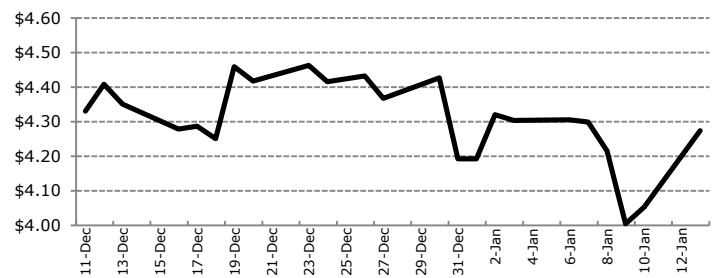
### Crude Oil Prompt Contract (\$US/Bbl)



### UK Brent Crude Oil

(\$US/Bbl)	13-Jan	day Δ	%Δ	5-day	1-mnth
Prompt	\$106.75	-\$0.50	-0.47%	+0.02%	-2.69%

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



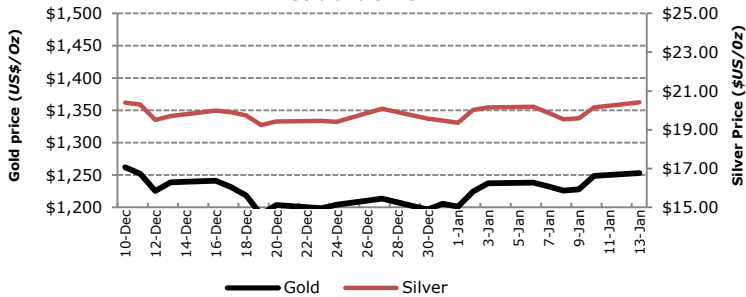
### Alberta Natural Gas

(\$CAD/GJ)	13-Jan	day Δ	%Δ
AECO Feb-14	\$3.94	+\$0.17	+4.5%

### Precious Metals

\$US/oz	13-Jan	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,253.22	+\$4.77	+0.4%	+1.2%	+1.2%	-4.8%
Silver	\$20.41	+\$0.25	+1.2%	+1.1%	+3.6%	-6.9%
Platinum	\$1,444	+\$7.20	+0.5%	+1.8%	+5.8%	+0.4%

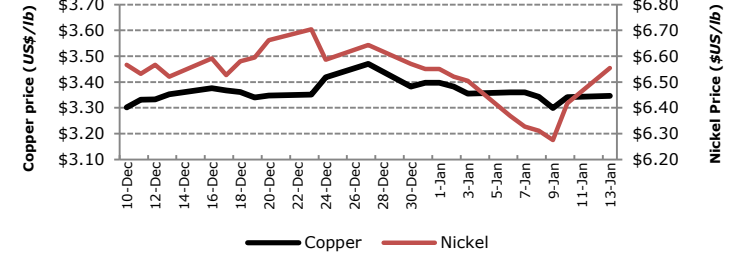
### Gold and Silver



### Industrial Metals

\$US/lb	13-Jan	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.35	+\$0.00	+0.1%	-0.4%	-0.2%	+1.4%
Nickel	\$6.55	+\$0.14	+2.1%	+2.9%	+0.5%	-1.3%
Zinc	\$1.02	+\$0.01	+0.7%	+0.4%	+3.5%	+6.6%
Aluminum	\$0.78	+\$0.00	0.0%	0.0%	-2.5%	-4.9%
Uranium	\$35.05	+\$0.00	0.0%	+1.0%	+1.2%	-0.3%

### Copper and Nickel



### Agriculture & Other

	13-Jan	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$4.35	+\$0.02	+0.4%	+1.6%	+2.1%
Wheat (\$US/bu)	\$5.74	+\$0.04	+0.8%	-5.3%	-8.8%
Soybeans (\$US/bu)	\$12.94	+\$0.16	+1.2%	+1.4%	-1.5%
Rough Rice (\$US/cwt)	\$15.64	-\$0.01	-0.1%	+0.0%	+0.2%
Sugar #11 (¢US/lb)	¢15.60	+¢0.03	+0.2%	-3.0%	-4.1%
Lean Hogs (¢US/lb)	¢90.38	-¢0.63	-0.7%	-1.1%	-1.2%
Live Cattle (¢US/lb)	¢137.08	+¢0.10	+0.1%	+0.1%	+2.4%
Cotton No.2 (\$US/lb)	\$0.84	+\$0.01	+1.3%	+0.1%	+0.6%
Lumber (\$US/Mbft)	\$367.80	-\$0.80	-0.2%	+3.0%	-0.3%

### Commodity ETFs

	13-Jan	day Δ	%Δ	5-day	1-mnth
<b>\$CAD</b>					
HBP Crude Oil U	\$4.01	-\$0.09	-2.2%	-4.8%	-12.4%
HBP Nat Gas U	\$12.77	+\$1.23	+10.7%	-1.0%	-3.5%
iShares Gold ETF	\$11.14	+\$0.04	+0.4%	+1.4%	+0.3%
<b>\$USD</b>					
US Crude Oil	\$32.81	-\$0.38	-1.1%	-2.26%	-6.1%
US Nat Gas	\$20.95	+\$1.14	+5.8%	-0.05%	+0.6%
PSDB Agriculture	\$24.26	+\$0.02	+0.1%	-1.18%	-1.3%
PSDB Base Metals	\$16.64	+\$0.08	+0.5%	0.18%	+1.1%

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## Interest Rates

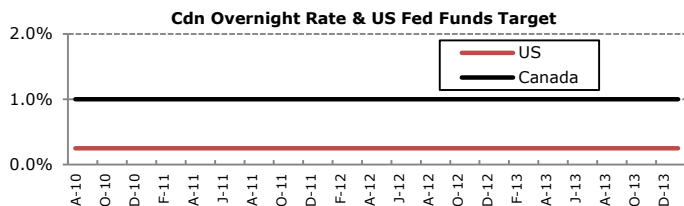
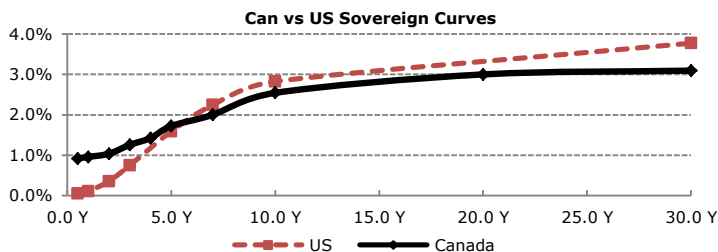
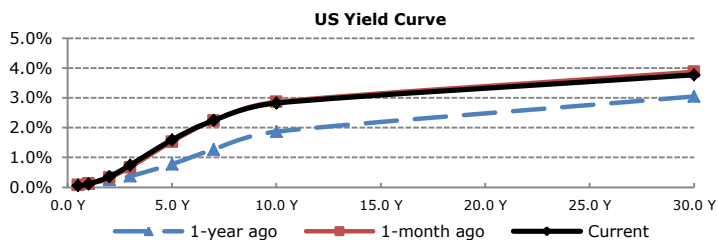
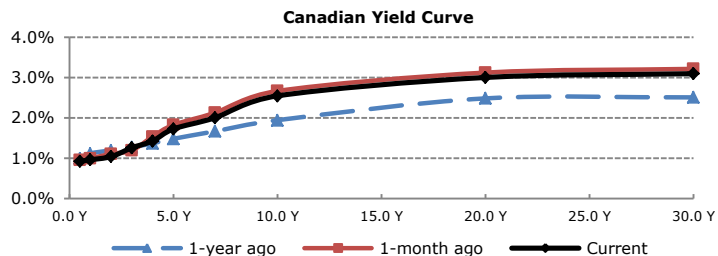
### Canadian yield curve

	<b>13-Jan</b>	<b>day Δ</b>	<i>Historical Levels</i>		
			<b>-1 mnth</b>	<b>-3 mnths</b>	<b>-1 year</b>
3-mnth	0.89%	-	0.93%	0.92%	0.92%
6-mnth	0.92%	-	0.95%	0.95%	0.99%
12-mnth	0.96%	-0.00%	0.99%	1.01%	1.12%
2-year	1.04%	+0.02%	1.11%	1.23%	1.19%
5-year	1.72%	-0.00%	1.82%	1.94%	1.48%
10-year	2.54%	-0.01%	2.66%	2.65%	1.94%
20-year	3.00%	-0.02%	3.12%	3.11%	2.48%
30-year	3.09%	-0.02%	3.21%	3.18%	2.51%

### US yield curve

	<b>13-Jan</b>	<b>day Δ</b>	<i>Historical Levels</i>		
			<b>-1 mnth</b>	<b>-3 mnths</b>	<b>-1 year</b>
3-mnth	0.03%	-0.01%	0.06%	0.10%	0.07%
6-mnth	0.05%	-0.01%	0.08%	0.13%	0.10%
12-mnth	0.11%	-0.01%	0.13%	0.15%	0.13%
2-year	0.36%	-0.01%	0.32%	0.35%	0.25%
5-year	1.59%	-0.03%	1.53%	1.43%	0.78%
10-year	2.83%	-0.03%	2.86%	2.73%	1.87%
30-year	3.77%	-0.03%	3.87%	3.79%	3.05%

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



## Foreign Exchange

(USDCAD implies 1-USD to CAD)

	<b>Spot</b>	<b>13-Jan</b>	<b>day Δ</b>	<i>Historical Levels</i>		
				<b>-1 mnth</b>	<b>-3 mnths</b>	<b>-1 year</b>
USDCAD	\$1.086	-0.003		1.059	1.040	0.984
EURUSD	\$1.367	+0.000		1.379	1.352	1.331
USDJPY	¥103.00	-1.180		102.42	98.16	88.79
GBPUSD	\$1.638	-0.010		1.637	1.597	1.607
AUDUSD	\$0.905	+0.006		0.905	0.945	1.057

	<b>Spot</b>	<b>13-Jan</b>	<b>day Δ</b>	<i>Historical Levels</i>		
				<b>-1 mnth</b>	<b>-3 mnths</b>	<b>-1 year</b>
CADJPY	¥94.82	-0.806		96.72	94.39	90.21
CADAUD	\$1.017	-0.004		1.044	1.017	0.962
GBPUSD	£1.780	-0.016		1.734	1.661	1.581
EURJPY	¥140.81	-1.580		141.20	132.71	118.14
EURAUD	\$1.51	-0.010		1.52	1.43	1.26

## Economic Releases

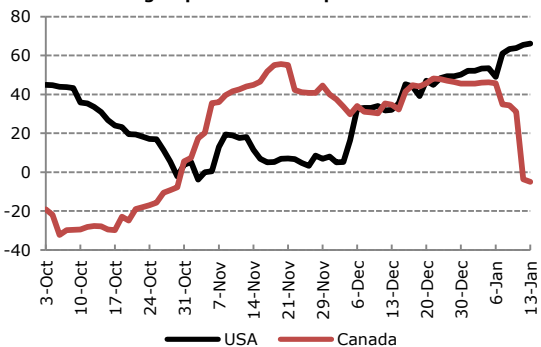
### United States

		<b>Period</b>	<b>Survey</b>	<b>Actual</b>	<b>Prior</b>
Tue, Jan 14	Advance Retail Sales	31-Dec	0.1%	0.2%	0.4%
Wed, Jan 15	Producer Price Index (MoM)	31-Dec	0.4%	--	-0.1%
Thu, Jan 16	Continuing Claims	4-Jan	2850K	--	2865K
Thu, Jan 16	Initial Jobless Claims	11-Jan	328K	--	330K
Thu, Jan 16	Consumer Price Index (MoM)	31-Dec	0.3%	--	0%
Fri, Jan 17	Industrial Production	31-Dec	0.3K	--	-0.1K
Fri, Jan 17	Housing Starts	31-Dec	990K	--	1091K

### Canada

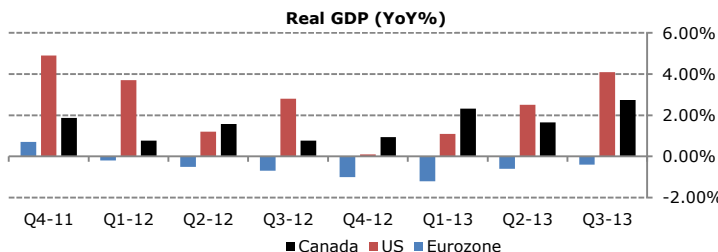
<b>Period</b>	<b>Survey</b>	<b>Actual</b>	<b>Prior</b>
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### Citigroup Economic Surprise Index



## Economics

	<b>Q4-12</b>	<b>Q1-13</b>	<b>Q2-13</b>	<b>Q3-13</b>	<b>2013E</b>
<b>Canada</b>					
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%
<b>US</b>					
Real GDP	0.10%	1.10%	2.50%	4.10%	1.70%
CPI	1.90%	1.70%	1.43%	1.57%	1.50%
Unemployment	7.90%	7.50%	7.50%	7.20%	7.40%
<b>China</b>					
Real GDP	7.90%	7.70%	7.50%	7.80%	7.70%



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