

Today's Commentary

The Canadian TSX gained Monday +0.74% to 13,990.29 while US markets were closed for Martin Luther King Jr. day. US 10 year bonds have sold off slightly this morning yielding 2.84% (+2bps) and Canadian 10 years are unchanged at 2.49%. The only data released today was Canadian Manufacturing Sales coming in stronger than expected at +1.0% m/m (expected +0.4%) and Wholesale Sales, which missed targets at 0.0% m/m (expected +0.3%).

Treasuries fell with the 10-year climbing back up from the lowest level in six weeks. Economists said that the reports this week should indicate manufacturing growth accelerated and existing home sales rebounded. The greenback also advanced against all but one of its 16 major counterparts following a news article in the Wall Street Journal rumouring the Fed to start its second round of tapering by another 10B in their January 29th meeting. Jon Hilsenrath of the WSJ also highlighted the falling unemployment and participation rate could be viewed as a disappointment. However, from the Fed's perspective it might also be interpreted as a tightening in the labour market and therefore inflationary. The Markit Economics preliminary index of US manufacturing climbed to 55 this month from 54.4 in December. The National Association of Realtors is forecasting the existing home sales to climb 1% last month, following a 4.3% drop in November. The US dollar strengthened to the most against the Canadian dollar since 2009. The yen fell against the US dollar as the Bank of Japan began its two day meeting amid speculation the central bank governor will extend stimulus to counter the planned increase in sales tax.

A 60-day State of Emergency has been declared in Bangkok after escalation of the protests aimed at forcing Prime Minister Yingluck Shinawatra from power. Thailand defaulting on its debt has risen to the highest since June 2012. Toyota announced on Monday that the crisis had thrown its planned \$609M further investment in the country's crucial exports sector into doubt. The Tourism industry in Thailand has taken a hit during its peak season and occupancy in Bangkok hotels are 15% below expectation. The Thai baht, which fell 0.2% to 32.91 per US dollar as of 7p.m. in Bangkok today, has weakened 5.7% since the protest began on Oct. 31.

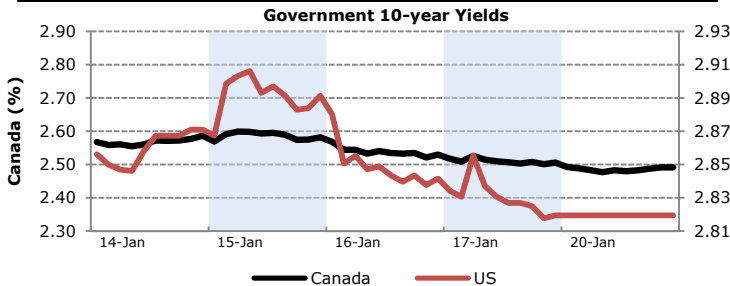
The Daily Roll is written by MFE Candidates Luke Ostapiak, Wendy Ren and Tony Wu in partnership with the Rotman Finance Association. Please email dailyroll@economics.utoronto.ca to subscribe/unsubscribe.

Today's Major Economic Releases

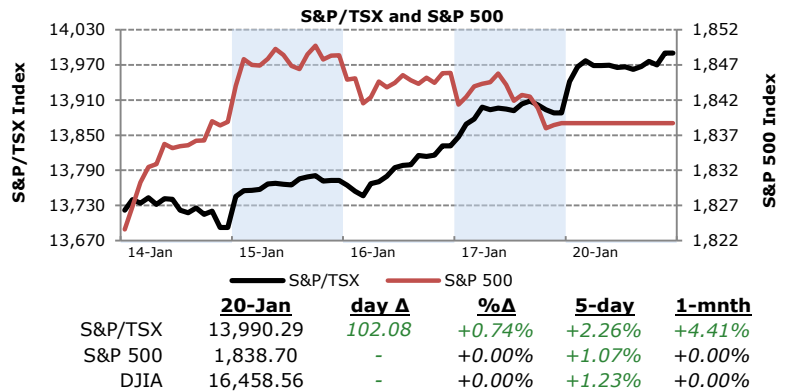
United States	Period	Survey	Actual	Prior
None Scheduled				

Canada	Period	Survey	Actual	Prior
Manufacturing Sales (MoM)	31-Dec	0.4%	1%	0.7%

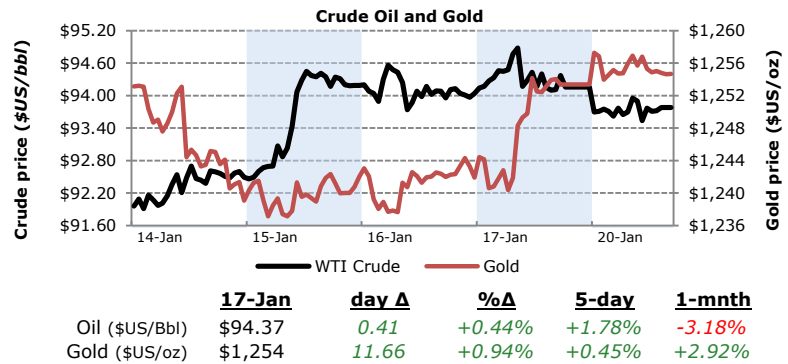
Interest Rates



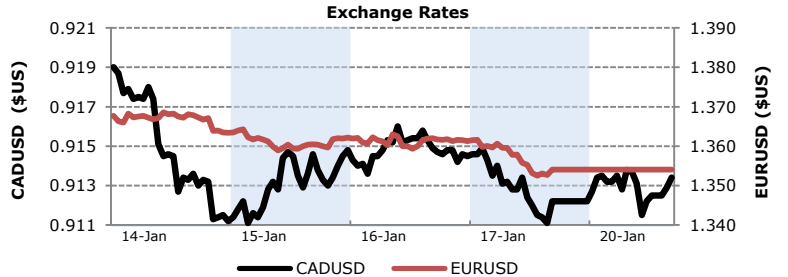
Equities



Commodities



Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	20-Jan	day Δ	Historical levels		
			-5 days	-1 mnth	-1 year
USDCAD	\$1.095	-0.002	1.086	1.070	0.992
EURUSD	\$1.355	+0.001	1.367	1.369	1.332
USDJPY	¥104.18	-0.140	103.000	104.29	88.71

Government 10-year Yields

	20-Jan	day Δ	Historical levels		
			-1 mnth	-3 mnths	-1 year
Canada	2.49%	-0.014%	2.67%	2.48%	1.92%
United States	2.82%	0.000%	2.89%	2.51%	1.84%

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>

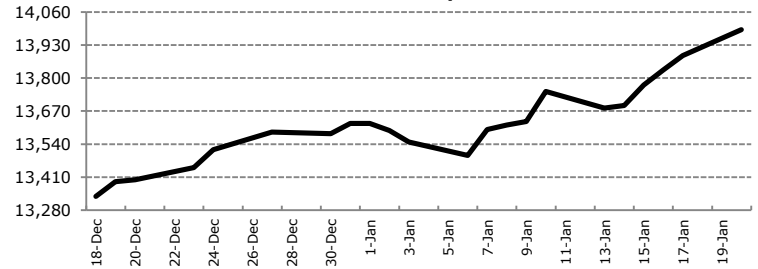
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S&P/TSX Composite

	20-Jan	day Δ	%Δ
S&P/TSX	13,990.29	102.08	+0.74%
Trailing S&P/TSX TSX 60			
5-day		+2.26%	+2.25%
1-month		+4.41%	+4.49%
3-months		+6.50%	+6.73%
6-months		+10.29%	+10.34%
12-months		+9.94%	+10.25%



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+0.26%	+1.79%	+3.80%	+37.07%
C. Staples	+0.25%	+1.59%	+2.38%	+24.93%
Energy	+0.52%	+1.81%	+1.87%	+8.08%
Financials	+0.86%	+1.54%	+1.96%	+19.71%
Healthcare	+1.12%	+3.68%	+15.60%	+49.29%
Info Tech	+1.40%	+5.27%	+6.77%	+27.69%
Industrials	+0.53%	+0.28%	+0.61%	+26.42%
Materials	+1.57%	+6.33%	+15.62%	-22.68%
Metals & Mining	+1.35%	+10.86%	+15.41%	-16.18%
Telecom	+0.68%	+1.23%	+3.26%	+6.50%
Utilities	+0.61%	+0.35%	+2.37%	-10.71%

TSX Top Performers

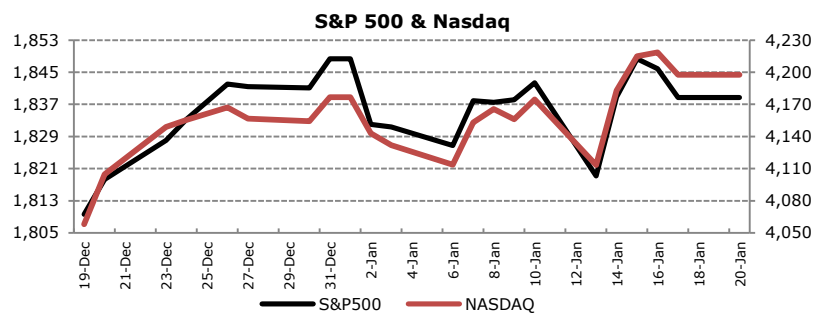
<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Blackberry Ltd	+8.22%	+18.55%	+39.53%	-31.25%
Detour Gold Corp	+6.96%	+14.16%	+74.87%	-72.16%
Novagold Resources Inc	+6.34%	+10.69%	+47.90%	-24.95%
Nevsun Resources Ltd	+5.62%	+11.34%	+28.67%	-2.01%
Barrick Gold Corp	+4.61%	+9.28%	+20.85%	-34.66%

TSX Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Argonaut Gold Inc	-4.89%	+3.55%	+15.67%	-41.17%
Nuvista Energy Ltd	-1.56%	+6.15%	+6.90%	+35.78%
Raging River Exploration	-1.52%	+7.70%	+10.71%	NA
Element Financial Corp	-1.31%	-1.45%	-3.95%	+81.58%
Bankers Petroleum Ltd	-1.30%	+1.11%	+7.82%	+53.72%

US Indices

<i>Trailing</i>	S&P 500	DJIA	Nasdaq
20-Jan	1,838.70	16,458.56	4,197.58
1-day	+0.00%	+0.00%	+0.00%
5-day	+1.07%	+1.23%	+2.05%
1-month	+0.00%	+0.00%	+0.00%
3-months	+4.23%	+5.33%	+4.87%
6-months	+7.46%	+4.36%	+14.41%
12-months	+22.37%	+18.84%	+30.95%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+0.00%	+0.06%	+0.00%	+31.69%
C. Staples	+0.00%	-0.22%	+0.00%	+16.38%
Energy	+0.00%	+0.79%	+0.00%	+13.31%
Financials	+0.00%	+0.99%	+0.00%	+25.97%
Healthcare	+0.00%	+1.31%	+0.00%	+30.08%
Info Tech	+0.00%	+2.45%	+0.00%	+21.04%
Industrials	+0.00%	+0.85%	+0.00%	+28.20%
Materials	+0.00%	+1.98%	+0.00%	+14.37%
Telecom	+0.00%	+1.76%	+0.00%	+4.59%
Utilities	+0.00%	+0.50%	+0.00%	+6.06%

DJIA Top Performers

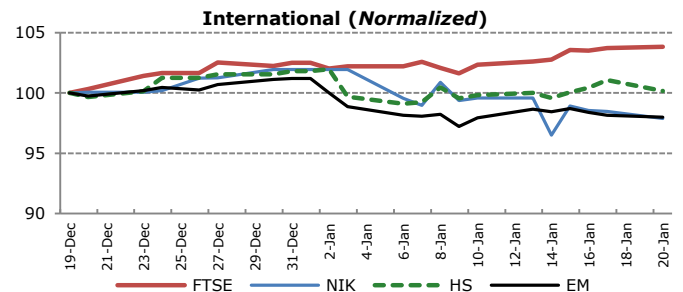
<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
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DJIA Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
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International Markets

<i>Trailing</i>	FTSE 100	Nikkei	Hang Seng	MSCI EM
Last Close	6,836.73	15,641.68	22,928.95	970.82
1-day	+0.11%	-0.59%	-0.88%	-0.15%
5-day	+1.18%	-1.70%	+0.18%	-0.68%
1-month	+3.48%	-1.44%	+0.51%	-1.76%
3-months	+3.23%	+7.42%	-1.76%	-6.84%
6-months	+3.11%	+7.21%	+7.33%	+2.14%
12-months	+11.09%	+43.33%	-2.85%	-10.17%



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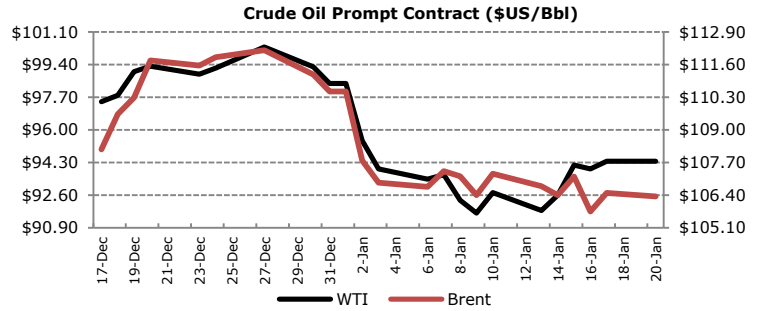
Nymex WTI Crude Oil

(\$US/Bbl)	17-Jan	day Δ	%Δ	5-day	1-mnth
Prompt	\$94.37	+\$0.41	+0.44%	+1.78%	-3.18%
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)

(MMbbls)	Current	Week Δ	Last Yr	5 Yr. Avg
Crude Oil	350,234	-7,658	337,426	319,411
Motor Gas	233,142	+6,183	214,389	200,481
Distillates	123,950	-1,023	171,756	140,851



UK Brent Crude Oil

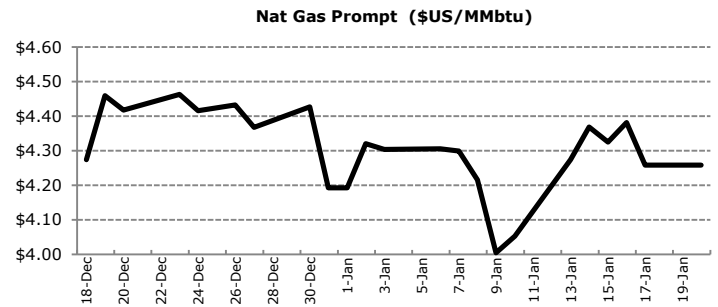
(\$US/Bbl)	20-Jan	day Δ	%Δ	5-day	1-mnth
Prompt	\$106.35	-\$0.13	-0.12%	-0.37%	-2.99%

Nymex Natural Gas

(\$US/MMbtu)	17-Jan	day Δ	%Δ	5-day	1-mnth
Prompt	\$4.26	-\$0.12	-2.81%	+5.08%	-0.35%
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%	-

Inventory Levels (as of Jan-10)

	Current	Week Δ	Last Yr	5 Yr. Avg
US Storage (Bcf)	2,530	-287	3,911	2,973

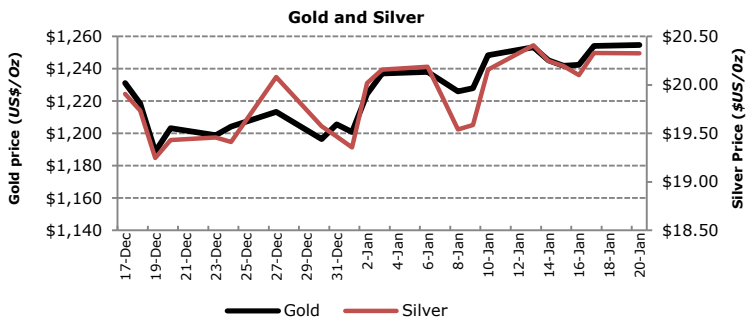


Alberta Natural Gas

(\$CAD/GJ)	20-Jan	day Δ	%Δ
AECO Feb-14	\$3.85	+\$0.00	+0.0%

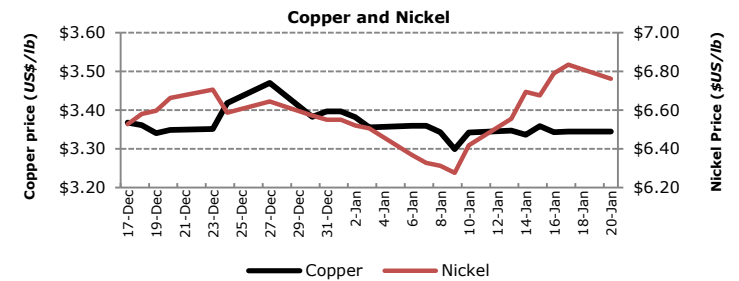
Precious Metals

\$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%



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%



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

\$CAD	20-Jan	day Δ	%Δ	5-day	1-mnth
HBP Crude Oil U	\$4.20	-\$0.02	-0.5%	+4.7%	-8.5%
HBP Nat Gas U	\$12.58	-\$0.07	-0.6%	-1.5%	-2.9%
iShares Gold ETF	\$11.09	-\$0.05	-0.4%	-0.4%	+2.6%

\$USD	17-Jan	day Δ	%Δ	5-day	1-mnth
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

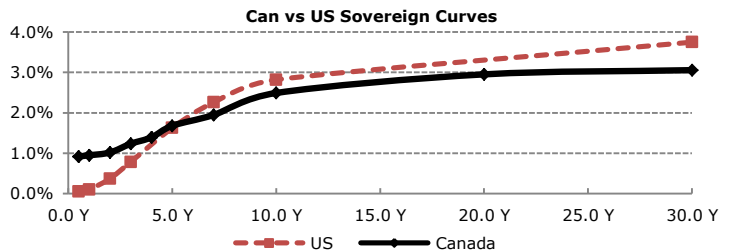
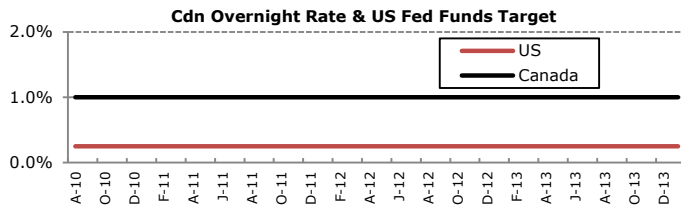
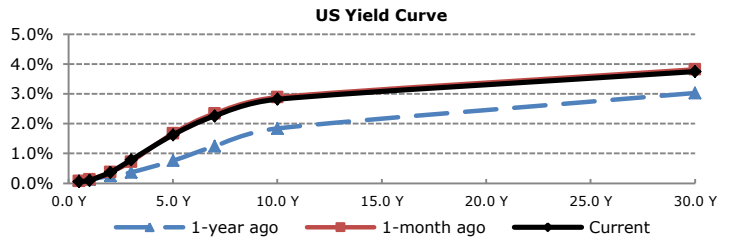
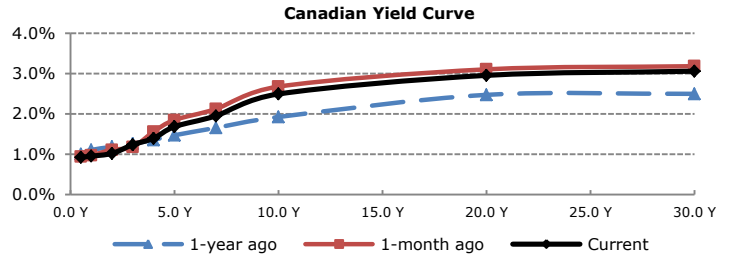
Canadian yield curve

	20-Jan	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.89%	-	0.90%	0.91%	0.90%
6-mnth	0.92%	-	0.94%	0.94%	1.00%
12-mnth	0.95%	-	0.97%	1.01%	1.10%
2-year	1.02%	-0.00%	1.11%	1.17%	1.18%
5-year	1.68%	-0.02%	1.85%	1.80%	1.47%
10-year	2.49%	-0.01%	2.67%	2.48%	1.92%
20-year	2.95%	-0.01%	3.10%	3.00%	2.47%
30-year	3.06%	-0.01%	3.18%	3.07%	2.50%

US yield curve

	20-Jan	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.03%	-	0.06%	0.03%	0.07%
6-mnth	0.06%	-	0.08%	0.06%	0.10%
12-mnth	0.10%	-	0.13%	0.10%	0.13%
2-year	0.37%	-	0.38%	0.29%	0.25%
5-year	1.63%	-	1.68%	1.28%	0.76%
10-year	2.82%	-	2.89%	2.51%	1.84%
30-year	3.75%	-	3.82%	3.61%	3.03%

	Current	Prior	Next Meeting	Survey
Cdn Overnight	1.00%	1.00%	29-Jan-14	1.00%
US Fed Funds	0.25%	0.25%	22-Jan-14	0.25%



Foreign Exchange

(USDCAD implies 1-USD to CAD)

Spot	20-Jan	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
USDCAD	\$1.095	-0.002	1.070	1.029	0.992
EURUSD	\$1.355	+0.001	1.369	1.369	1.332
USDJPY	¥104.18	-0.140	104.29	97.72	88.71
GBPUSD	\$1.643	+0.001	1.639	1.617	1.584
AUDUSD	\$0.881	+0.003	0.886	0.968	1.057

Spot	20-Jan	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
CADJPY	¥95.16	+0.014	97.44	95.00	89.43
CADAUD	\$1.037	-0.002	1.055	1.005	0.954
GBP CAD	£1.799	-0.002	1.754	1.663	1.571
EURJPY	¥141.18	-0.070	142.71	133.79	118.18
EURAUD	\$1.54	-0.004	1.54	1.41	1.26

Economic Releases

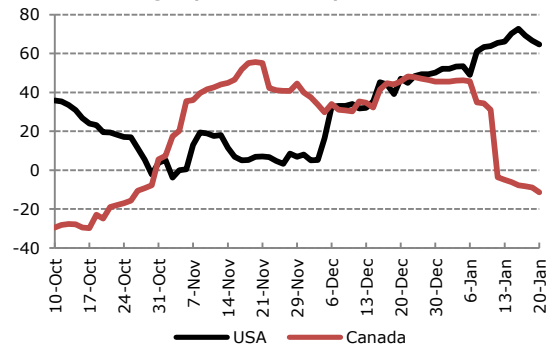
United States

		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

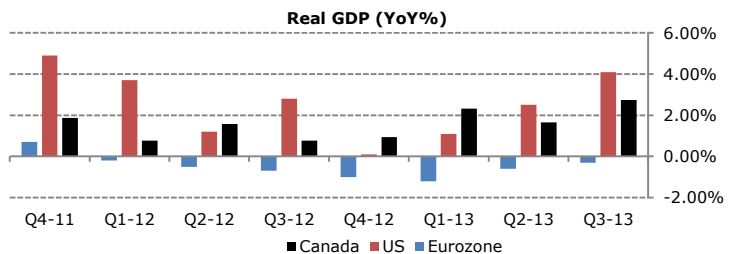
		Period	Survey	Actual	Prior
Tue, Jan 21	Manufacturing Sales (MoM)	31-Dec	0.40%	1%	0.70%
Thu, Jan 23	Retail Sales (MoM)	30-Nov	0.2%	--	-0.1%
Fri, Jan 24	BOC CPI Core (YoY)	31-Dec	1.3%	--	1.1%
Fri, Jan 24	Consumer Price Index	31-Dec	1.3%	--	0%

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%



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