

Today's Commentary

Equities rallied into the weekend with the S&P up +1.33% and sitting just shy of the 1,800 mark while the TSX added +0.53% and stands at 13,786.50. Bond yields are also up slightly with US 10 years at 2.67% and Canadian 10 years at 2.40%. Data in the US will be quite light this week as the first notable releases come Thursday with retail sales and initial claims. The market will also be waiting for Janet Yellen's testimony to Congress tomorrow. There will also only be a few economic releases in Canada; this morning housing starts came in at 180k, short of the expected 185k. Shanghai's benchmark index jumped 2%. Chinese spending during a seven-day Lunar New Year break signaled strong consumption and that economic growth will be "relatively stable," according to Bank of America Corp.

Federal Reserve Chairman Janet Yellen delivers her first semi-annual monetary-policy testimony tomorrow as markets weigh how mixed economic reports last week will affect the central bank's plan for reducing its stimulus. Yellen will provide insight into if the recent weak data was primarily weather related, or evidence of a slowing economy. It is also expected for Yellen to address the distance from the Fed's quantitative threshold of 6.5% unemployment, as well as focusing on interest rate policy being on hold for an extended period even as QE purchases are paired. "When Fed Chair Janet Yellen delivers the monetary policy report to the House, she will surely indicate that the economy remains fragile, but is growing," Kit Juckes, a global strategist at Societe Generale SA, wrote in a note today, "Policy is set to remain on its current course."

The US biotech IPOs saw the fastest public offerings start at the beginning of this year. Last week, 8 biotech companies raised a combined \$502M, setting a weekly record for the sector and continuing the boom in Nasdaq biotech index. This is bringing up fears of an overheated market and investors taking on too much risk in companies at early stages of their medical research, where failures are high. A major focus of concern, Dicerna Pharmaceuticals, raised \$90M in late January and saw its shares climb 207% in one trading day. Dicerna has yet to enter clinical trials for liver disease and cancers it seeks to treat, which typically means it has less than 5% chance of one day getting a drug to the market, according to industry analysts.

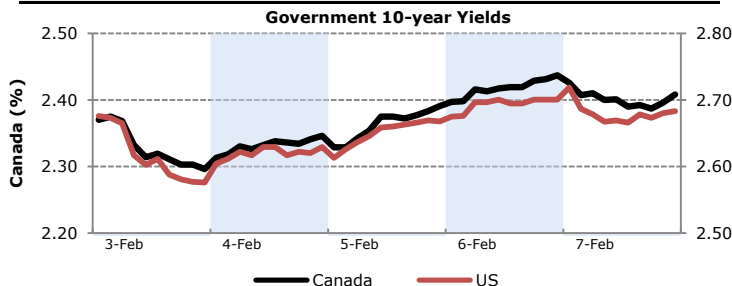
The Daily Roll is written by MFE Candidates Luke Ostapiak, Wendy Ren and Tony Wu in partnership with the Rotman Finance Association. Please email dailyroll@economics.utoronto.ca to subscribe/unsubscribe.

Today's Major Economic Releases

United States	Period	Survey	Actual	Prior
None Scheduled				

Canada	Period	Survey	Actual	Prior
Housing Starts	31-Jan	185K	180K	189.7K

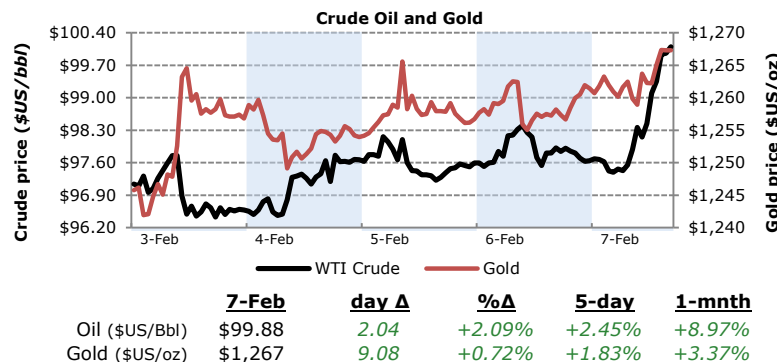
Interest Rates



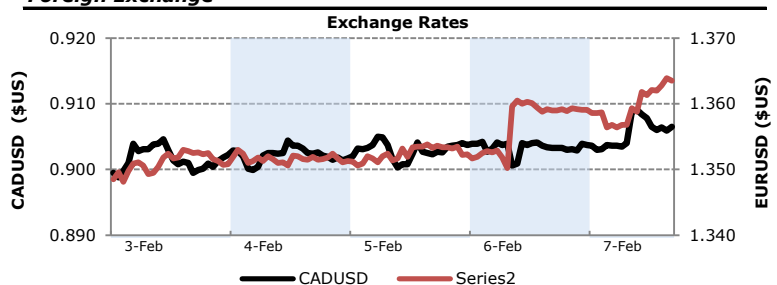
Equities



Commodities



Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	7-Feb	day Δ	Historical levels		
			-5 days	-1 mnth	-1 year
USDCAD	\$1.103	-0.004	1.113	1.084	1.005
EURUSD	\$1.364	+0.004	1.349	1.361	1.341
USDJPY	¥102.30	+0.190	102.040	104.82	94.32

	Government 10-year Yields		Historical levels		
	7-Feb	day Δ	-1 mnth	-3 mnths	-1 year
Canada	2.41%	-0.029%	2.72%	2.61%	2.00%
United States	2.68%	-0.017%	2.99%	2.75%	1.96%

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>

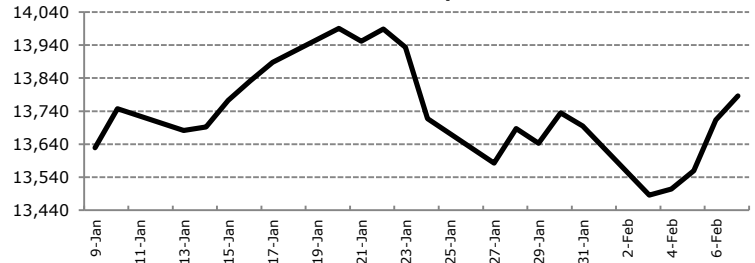
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S&P/TSX Composite

	7-Feb	day Δ	%Δ
S&P/TSX	13,786.50	73.1	+0.53%
Trailing S&P/TSX TSX 60			
5-day	+0.67%	+0.59%	
1-month	+1.39%	+1.28%	
3-months	+3.70%	+3.22%	
6-months	+11.07%	+11.18%	
12-months	+8.08%	+8.04%	



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	+0.54%	+0.08%	-0.24%	+33.71%
C. Staples	+1.03%	+0.13%	+1.20%	+20.93%
Energy	-0.33%	+0.91%	+0.32%	+7.58%
Financials	+0.20%	+0.95%	-1.80%	+14.32%
Healthcare	+1.13%	-0.49%	+5.00%	+39.54%
Info Tech	-0.08%	-0.58%	+4.83%	+24.15%
Industrials	+0.39%	+0.80%	+0.81%	+23.73%
Materials	+2.21%	+1.70%	+8.82%	-20.84%
Metals & Mining	+1.87%	+1.89%	+6.73%	-15.83%
Telecom	-0.05%	-1.88%	-0.86%	+2.35%
Utilities	+1.04%	+1.13%	+3.78%	-7.92%

TSX Top Performers

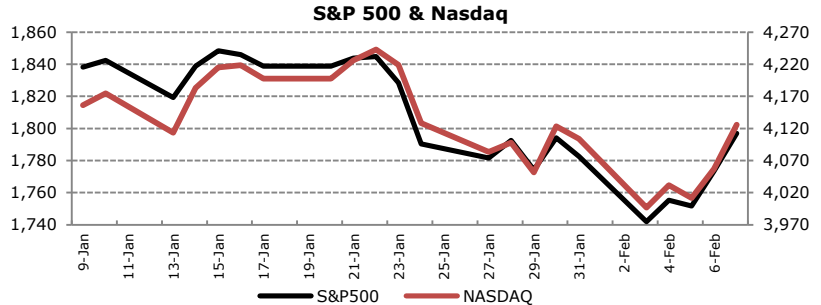
<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnth
Detour Gold Corp	+11.98%	+9.64%	+55.75%	-64.06%
Silver Standard Resources	+9.92%	+15.33%	+27.27%	-14.07%
Pretium Resources Inc	+8.32%	+3.83%	+25.14%	-38.62%
Argonaut Gold Inc	+7.74%	+5.38%	+0.76%	-40.56%
Fortuna Silver Mines Inc	+7.28%	+13.40%	+41.05%	+0.66%

TSX Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnth
Dorel Industries-CI B	-7.56%	-9.44%	-10.89%	-4.03%
Nuvista Energy Ltd	-6.30%	+2.91%	+19.94%	+62.14%
Baytex Energy Corp	-4.59%	-2.31%	-4.17%	-15.00%
Encana Corp	-3.05%	+1.45%	+8.09%	+5.34%
Pacific Rubiales Energy C	-3.03%	-5.38%	-15.24%	-33.53%

US Indices

<i>Trailing</i>	S&P 500	DJIA	Nasdaq
7-Feb	1,797.02	15,794.08	4,125.86
1-day	+1.33%	+1.06%	+1.69%
5-day	+0.81%	+0.61%	+0.54%
1-month	-2.22%	-4.46%	-0.66%
3-months	+2.85%	+1.28%	+6.96%
6-months	+6.28%	+2.09%	+12.91%
12-months	+19.06%	+13.27%	+30.35%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	+1.26%	+1.93%	-3.39%	+27.43%
C. Staples	+0.91%	+0.36%	-3.84%	+8.55%
Energy	+1.09%	+0.45%	-5.32%	+6.73%
Financials	+1.26%	+1.04%	-3.00%	+21.30%
Healthcare	+1.77%	+0.59%	+1.18%	+30.67%
Info Tech	+1.46%	+0.97%	-0.78%	+21.59%
Industrials	+1.64%	+0.81%	-2.66%	+24.19%
Materials	+1.38%	+1.48%	-1.63%	+14.11%
Telecom	+0.72%	-2.45%	-6.25%	-3.98%
Utilities	+0.62%	-0.68%	+3.04%	+5.99%

DJIA Top Performers

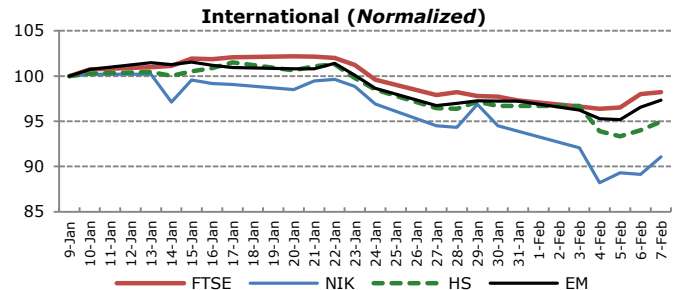
<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnth
Boeing Co/The	+3.55%	+1.41%	-9.60%	+64.04%
Merck & Co. Inc.	+1.86%	+3.40%	+9.30%	+33.59%
Nike Inc -CI B	+1.65%	-0.22%	-6.19%	+32.94%

DJIA Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnth
Coca-Cola Co/The	-0.21%	+0.34%	-6.04%	-2.47%
Goldman Sachs Group Inc	+0.11%	-1.33%	-9.18%	+7.77%
Walt Disney Co/The	+0.15%	+4.21%	-0.88%	+39.20%

International Markets

<i>Trailing</i>	FTSE 100	Nikkei	Hang Seng	MSCI EM
Last Close	6,571.68	14,462.41	21,636.85	937.30
1-day	+0.20%	+2.17%	+1.00%	+0.81%
5-day	+0.94%	-3.03%	-1.81%	+0.08%
1-month	-2.72%	-8.55%	-4.74%	-3.52%
3-months	-1.87%	+1.64%	-5.44%	-7.22%
6-months	+0.93%	+4.61%	+0.22%	-0.06%
12-months	+5.51%	+27.34%	-6.65%	-11.54%



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Interest Rates

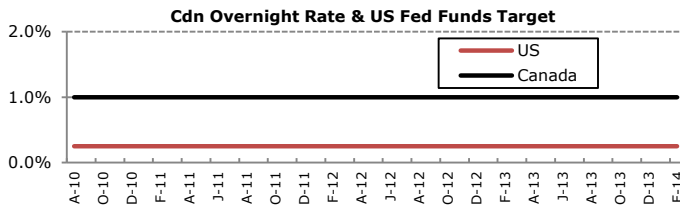
Canadian yield curve

	7-Feb	day Δ	-1 mnth	-3 mnths	-1 year
3-mnth	0.88%	-	0.88%	0.90%	0.94%
6-mnth	0.91%	-	0.93%	0.94%	0.99%
12-mnth	0.95%	-0.00%	0.98%	1.01%	1.07%
2-year	0.98%	-0.00%	1.11%	1.13%	1.15%
5-year	1.60%	-0.02%	1.90%	1.84%	1.48%
10-year	2.41%	-0.03%	2.72%	2.61%	2.00%
20-year	2.88%	-0.02%	3.13%	3.08%	2.57%
30-year	3.01%	-0.01%	3.21%	3.16%	2.60%

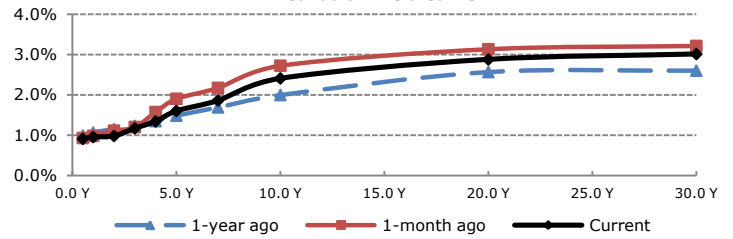
US yield curve

	7-Feb	day Δ	-1 mnth	-3 mnths	-1 year
3-mnth	0.08%	+0.02%	0.03%	0.05%	0.07%
6-mnth	0.08%	+0.01%	0.07%	0.09%	0.11%
12-mnth	0.11%	-0.01%	0.12%	0.10%	0.14%
2-year	0.30%	-0.02%	0.43%	0.31%	0.25%
5-year	1.47%	-0.05%	1.76%	1.41%	0.83%
10-year	2.68%	-0.02%	2.99%	2.75%	1.96%
30-year	3.67%	+0.00%	3.89%	3.85%	3.17%

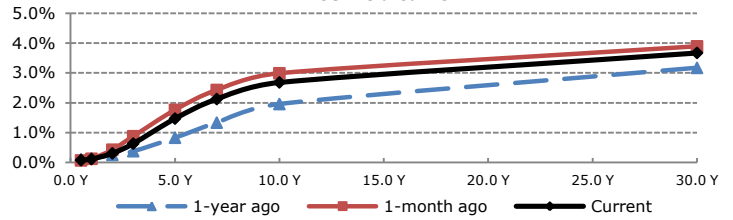
	Current	Prior	Next Meeting	Survey
Cdn Overnight	1.00%	1.00%	5-Mar-14	1.00%
US Fed Funds	0.25%	0.25%	18-Mar-14	0.25%



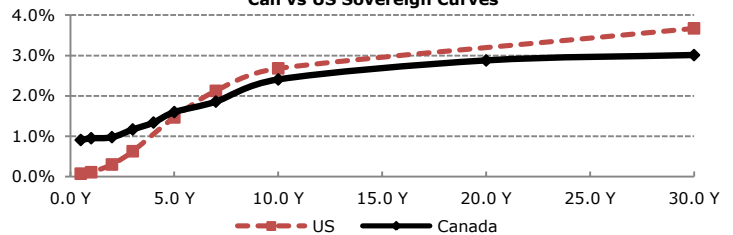
Canadian Yield Curve



US Yield Curve



Can vs US Sovereign Curves



Foreign Exchange

(USDCAD implies 1-USD to CAD)

	Spot	7-Feb	day Δ	-1 mnth	-3 mnths	-1 year
USDCAD	\$1.103	-0.004		1.084	1.046	1.005
EURUSD	\$1.364	+0.004		1.361	1.342	1.341
USDJPY	¥102.30	+0.190		104.82	98.09	94.32
GBPUSD	\$1.641	+0.009		1.648	1.610	1.566
AUDUSD	\$0.896	+0.000		0.890	0.946	1.026

	Spot	7-Feb	day Δ	-1 mnth	-3 mnths	-1 year
CADJPY	¥92.74	+0.507		96.67	93.75	93.88
CADAUD	\$1.012	+0.004		1.036	1.011	0.970
GBP CAD	£1.811	+0.004		1.787	1.684	1.574
EURJPY	¥139.53	+0.770		142.65	131.63	126.45
EURAUD	\$1.52	+0.005		1.53	1.42	1.31

Economic Releases

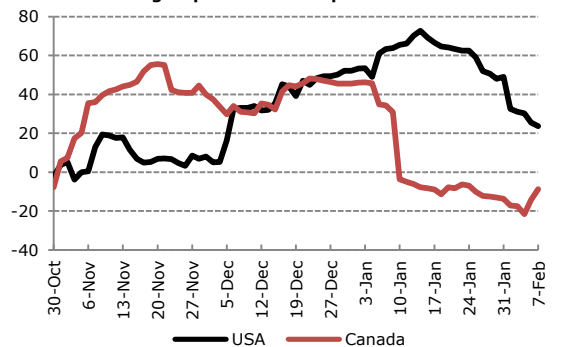
United States

	Period	Survey	Actual	Prior	
Thu, Feb 13	Advance Retail Sales	31-Jan	0.0%	--	0.2%
Thu, Feb 13	Continuing Claims	1-Feb	2967.5K	--	2964K
Thu, Feb 13	Initial Jobless Claims	8-Feb	330K	--	331K
Fri, Feb 14	Industrial Production	31-Jan	0.2K	--	0.3K

Canada

	Period	Survey	Actual	Prior	
Mon, Feb 10	Housing Starts	31-Jan	185K	180K	189.7K
Fri, Feb 14	Manufacturing Sales (MoM)	31-Dec	0.3%	--	1%

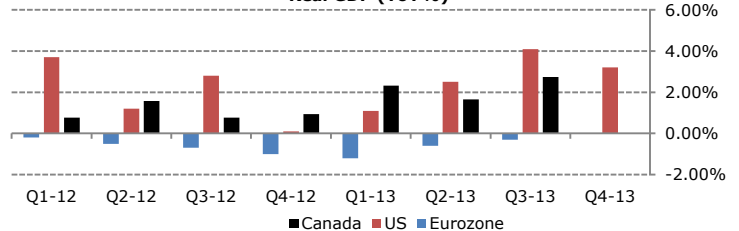
Citigroup Economic Surprise Index



Economics

	Q1-13	Q2-13	Q3-13	Q4-13	2013E
Canada					
Real GDP	2.32%	1.65%	2.74%	NA	1.70%
CPI	0.90%	0.77%	1.17%	0.93%	1.00%
Unemployment	7.30%	7.10%	6.90%	7.20%	7.05%
US					
Real GDP	1.10%	2.50%	4.10%	3.20%	1.90%
CPI	1.70%	1.43%	1.57%	1.23%	1.50%
Unemployment	7.50%	7.50%	7.20%	6.70%	7.40%
China					
Real GDP	7.70%	7.50%	7.80%	7.70%	7.70%

Real GDP (YoY%)



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