

## Today's Commentary

US equities were little changed Wednesday with the S&P closing down -0.03% from a day earlier while the TSX in Canada added a modest +0.14% with little data and news to guide markets. Bonds were also relatively unchanged with US and Canadian 10 years yielding 2.76% and 2.48% respectively. This morning will be somewhat busier with Canada's House Price Index set to be reported and the US releasing Initial Claims, Retail Sales, and Business Inventory data.

The Australian unemployment rate climbed to a 10 year high in January, rising to 6% from 5.8% in the previous month. This number comes in worse than the median estimate of 5.9% after the number of people employed fell by 3,700. The Australian dollar saw its biggest drop in almost three weeks, down to 89.40 cents US at 12:07pm in Sydney. This is spurring traders to pare bets on interest-rate increases. Bets on how much the Reserve Bank of Australia will add to its cash rate in the next 12 months fell to 13bps, from 18bps, yesterday. The RBA cut the overnight cash-rate target to a record-low of 2.5% in late 2011 to help offset the currency and spur industries outside mining, where an investment boom is waning. Currency appreciation is still hurting the economy. GM estimates it costs about \$3,750AUD more to produce a car in Australia than elsewhere. Ford said last May that its costs in the country were double those in Europe and four times those of its Asian divisions. The two carmakers will close their local plants in 2017 and 2016 respectively. Regardless of this, the RBA raised its inflation and growth forecasts last week, reflecting the currency's decline from its peak last year, and reiterated its shift to a neutral policy stance.

Comcast agreed to acquire Time Warner for about \$44 billion, combining the largest two U.S. cable companies in an all-stock deal. Comcast is paying about \$159 a share in the transaction set to be announced this morning. Comcast's purchase of Time Warner Cable is the second-largest cable-television acquisition by equity value, according to data compiled by Bloomberg. Stamford, Connecticut-based Charter, the fourth-largest U.S. cable company, had offered about \$132.50 a share to Time Warner Cable's management, a bid that was rejected. A tie-up between Comcast and Time Warner Cable would face tough scrutiny from the Federal Communications Commission, Craig Moffett, an analyst at MoffettNathanson LLC, said in an interview in January. The merged company would account for almost three-quarters of the cable industry, according to the National Cable Television Association.

**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.**

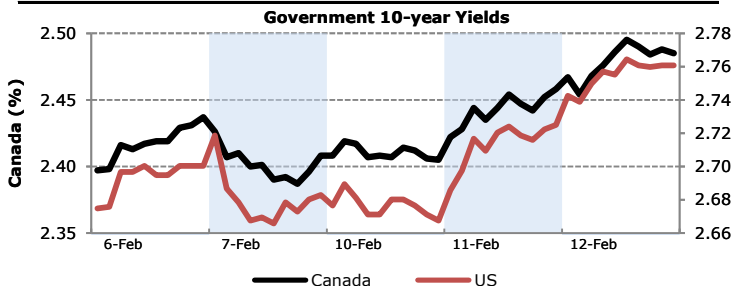
## Today's Major Economic Releases

United States	Period	Survey	Actual	Prior
Advance Retail Sales	1-Feb	--	--	0.2%
Continuing Claims	1-Feb	2960K	--	2964K
Initial Jobless Claims	8-Feb	330K	--	331K

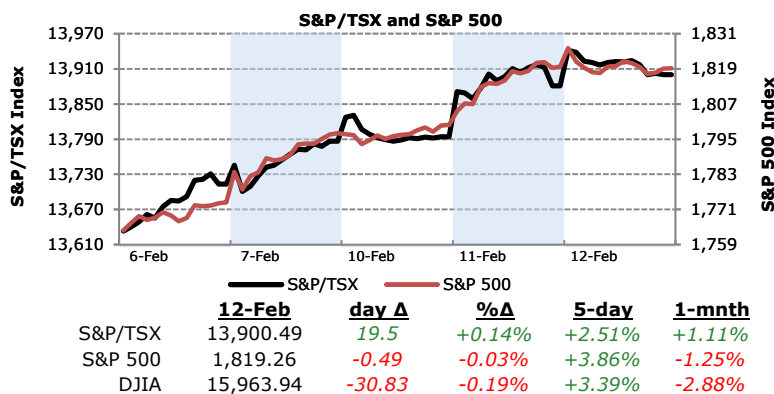
## Canada

None Scheduled

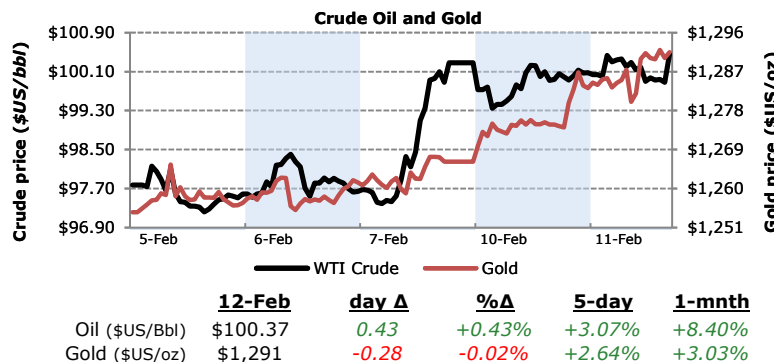
## Interest Rates



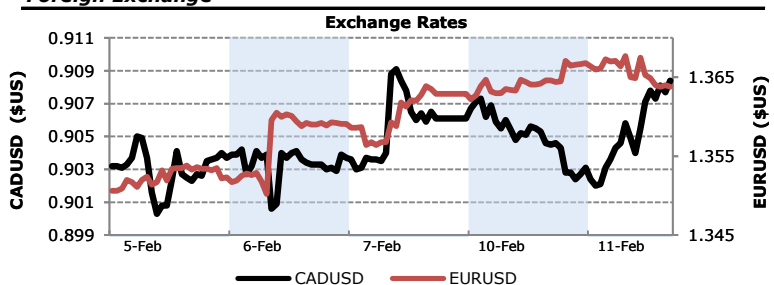
## Equities



## Commodities



## Foreign Exchange



(USDCAD implies \$1-USD to CAD)

	Spot	12-Feb	day Δ	Historical levels		
				-5 days	-1 mnt	-1 year
USDCAD	\$1.100		-0.001	1.108	1.095	1.001
EURUSD	\$1.359		-0.004	1.353	1.368	1.336
USDJPY	¥102.53		-0.100	101.450	104.22	92.88

Government 10-year Yields

	12-Feb	day Δ	Historical levels		
			-1 mnt	-3 mnths	-1 year
Canada	2.49%	0.027%	2.54%	2.55%	2.00%
United States	2.76%	0.036%	2.83%	2.69%	1.98%

## 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.

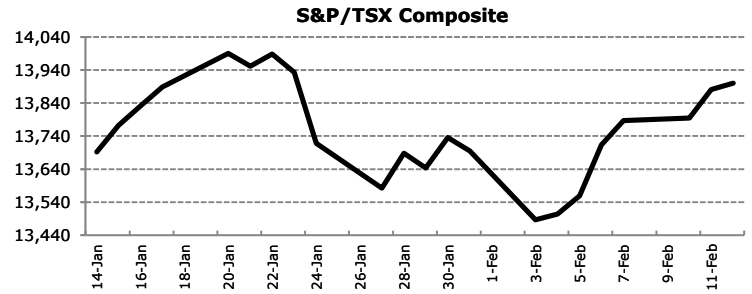
<http://www.rotman.utoronto.ca/financeassociation>

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	<b>12-Feb</b>	<b>day Δ</b>	<b>%Δ</b>
<b>S&amp;P/TSX</b>	13,900.49	19.5	+0.14%
<b>Trailing S&amp;P/TSX TSX 60</b>			
5-day	+2.51%	+2.67%	
1-month	+1.11%	+0.79%	
3-months	+4.31%	+3.80%	
6-months	+10.37%	+10.73%	
12-months	+8.69%	+8.60%	



### TSX Sector Returns

	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
C. Discretionary	-1.00%	+0.66%	-1.87%	+31.57%
C. Staples	+0.28%	+1.23%	+0.64%	+20.87%
Energy	+1.24%	+2.27%	+0.95%	+7.50%
Financials	+0.69%	+2.53%	-1.69%	+14.59%
Healthcare	+0.87%	+3.95%	+3.89%	+44.98%
Info Tech	-0.45%	+1.52%	+5.26%	+25.95%
Industrials	-0.08%	+1.81%	-0.75%	+21.20%
Materials	-1.77%	+4.77%	+8.61%	-18.36%
Metals & Mining	+0.35%	+5.71%	+8.12%	-13.54%
Telecom	-1.45%	+0.51%	-1.84%	+1.20%
Utilities	+0.11%	+2.14%	+2.90%	-5.82%

### TSX Top Performers

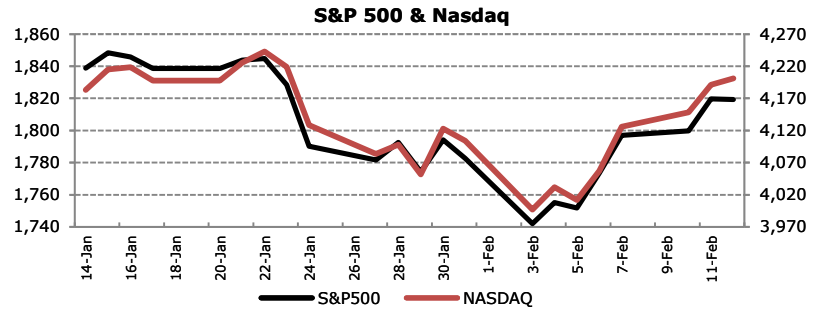
	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Westport Innovations Inc	+4.69%	+3.54%	-12.21%	-35.93%
Athabasca Oil Corp	+4.05%	+1.40%	+13.88%	-24.98%
Ensign Energy Services In	+3.55%	+7.29%	+6.37%	+0.88%
Silvercorp Metals Inc	+3.46%	+17.50%	+20.96%	-24.37%
Firstservice Corp	+3.44%	+5.00%	+2.92%	+50.96%

### TSX Worst Performers

	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Air Canada-Class B	-20.46%	-16.96%	-25.60%	+165.81%
Torex Gold Resources Inc	-7.94%	+0.87%	+5.45%	-36.61%
Oceanagold Corp	-7.36%	+14.90%	+44.85%	-9.13%
China Gold International	-7.28%	+3.30%	+22.86%	+2.08%
Fortuna Silver Mines Inc	-7.10%	+8.79%	+40.49%	-1.29%

### US Indices

	<b>S&amp;P 500</b>	<b>DJIA</b>	<b>Nasdaq</b>
Trailing 12-Feb	1,819.26	15,963.94	4,201.29
1-day	-0.03%	-0.19%	+0.24%
5-day	+3.86%	+3.39%	+4.73%
1-month	-1.25%	-2.88%	+0.64%
3-months	+2.92%	+1.35%	+7.18%
6-months	+7.68%	+3.53%	+14.48%
12-months	+19.73%	+13.88%	+31.85%



### S&P 500 Sector Returns

	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
C. Discretionary	+0.05%	+4.11%	-2.77%	+27.27%
C. Staples	-0.48%	+3.03%	-2.76%	+9.96%
Energy	-0.37%	+2.84%	-4.06%	+6.56%
Financials	-0.06%	+3.85%	-2.50%	+20.78%
Healthcare	-0.08%	+4.45%	+1.26%	+32.98%
Info Tech	+0.30%	+4.49%	+1.26%	+22.92%
Industrials	+0.22%	+3.88%	-2.31%	+24.26%
Materials	-0.31%	+4.31%	-0.79%	+15.01%
Telecom	+0.25%	+2.69%	-1.35%	-2.72%
Utilities	-0.13%	+2.74%	+3.05%	+6.92%

### DJIA Top Performers

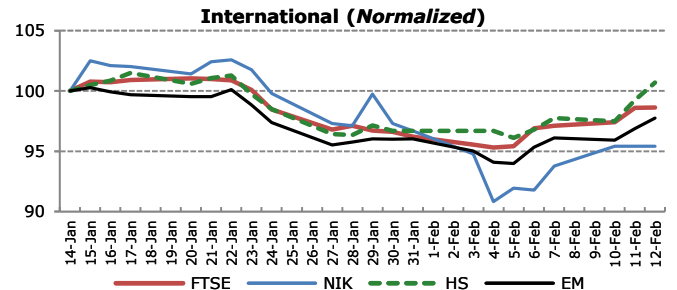
	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Caterpillar Inc	+1.27%	+4.58%	+6.25%	-1.08%
Visa Inc-Class A Shares	+0.83%	+3.97%	+1.37%	+42.97%
Home Depot Inc	+0.76%	+2.68%	-5.77%	+14.80%

### DJIA Worst Performers

	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Procter & Gamble Co/The	-1.71%	+1.36%	-3.50%	+1.99%
Boeing Co/The	-1.56%	+5.54%	-9.70%	+68.61%
Chevron Corp	-1.36%	+2.29%	-7.42%	-3.84%

### International Markets

	<b>FTSE 100</b>	<b>Nikkei</b>	<b>Hang Seng</b>	<b>MSCI EM</b>
Trailing Last Close	6,675.03	14,800.06	22,285.79	953.30
1-day	+0.04%	#VALUE!	+1.47%	+0.91%
5-day	+3.36%	+4.37%	+4.78%	+4.01%
1-month	-0.96%	-6.99%	-2.45%	-1.74%
3-months	-0.77%	+1.45%	-2.69%	-3.85%
6-months	+1.53%	+9.47%	+0.07%	-0.47%
12-months	+5.31%	+30.18%	-4.00%	-9.98%



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### Nymex WTI Crude Oil

(\$US/Bbl)	12-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$100.37	+\$0.43	+0.43%	+3.07%	+8.40%
Cal 14	\$97.10	+\$0.42	+0.43%	+3.26%	+3.90%
Cal 15	\$89.43	+\$0.23	+0.25%	+2.58%	+2.63%

(\$US/bbl)	Q2-14	Q3-14	Q4-14	Q1-15	2015
Consensus Forecast	\$94.65	\$97.00	\$95.00	\$96.50	\$94.86
Current Forward	\$99.15	\$96.73	\$94.32	\$92.01	\$89.43

### Inventory Levels (as of Feb-07)

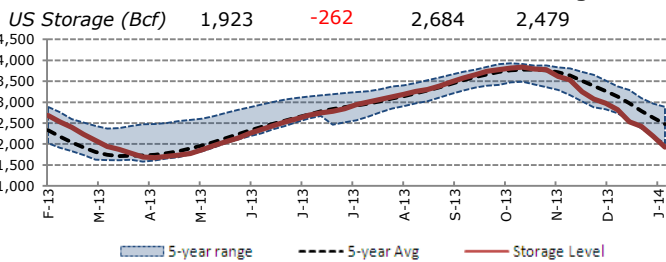
(MBbls)	Current	Week Δ	Last Yr	5 Yr. Avg
Crude Oil	388,463	+375	337,426	319,411
Motor Gas	233,098	+23,900	214,389	200,481
Distillates	113,063	-4,273	171,756	140,851

### Nymex Natural Gas

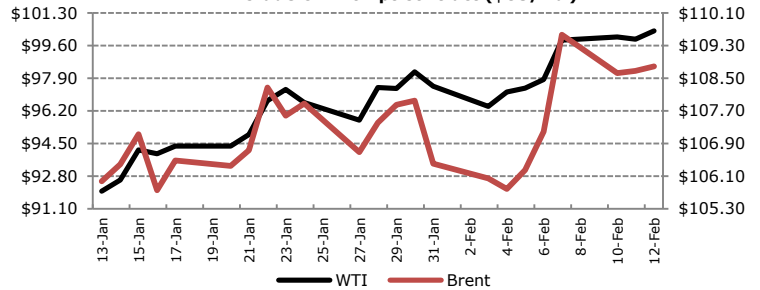
(\$US/MMbtu)	12-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$4.82	-\$0.00	-0.04%	-4.14%	+10.37%
Apr14-Oct14	\$4.56	-\$0.01	-0.16%	+1.16%	+8.46%
Nov14-Mar15	\$4.71	-\$0.00	-0.10%	+0.65%	+7.34%
Apr15-Oct15	\$4.03	-\$0.03	-0.67%	+0.32%	-1.64%
Nov15-Mar16	\$4.28	-\$0.02	-0.52%	+0.14%	+0.29%

### Inventory Levels (as of Jan-31)

	Current	Week Δ	Last Yr	5 Yr. Avg
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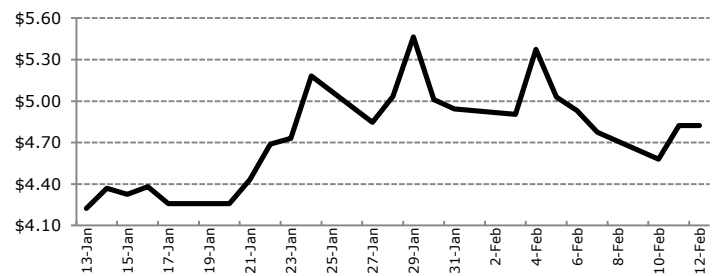
### Crude Oil Prompt Contract (\$US/Bbl)



### UK Brent Crude Oil

(\$US/Bbl)	12-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$108.79	+\$0.11	+0.10%	+2.39%	+2.26%

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



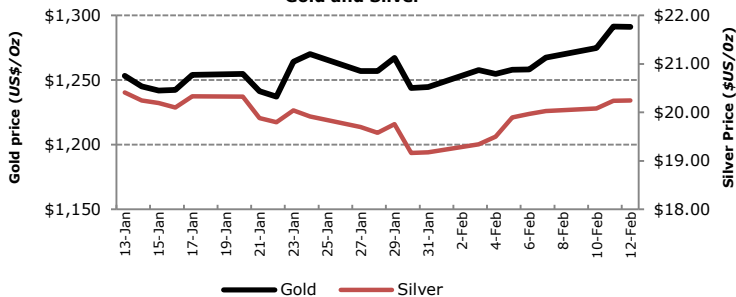
### Alberta Natural Gas

(\$CAD/GJ)	12-Feb	day Δ	%Δ
AECO Mar-14	\$4.87	-\$0.22	-4.3%

### Precious Metals

\$US/oz	12-Feb	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,291.18	-\$0.28	-0.0%	+2.6%	+3.0%	+1.2%
Silver	\$20.24	+\$0.00	+0.0%	+1.7%	-0.8%	-0.6%
Platinum	\$1,406	+\$18.00	+1.3%	+1.8%	-2.6%	-0.9%

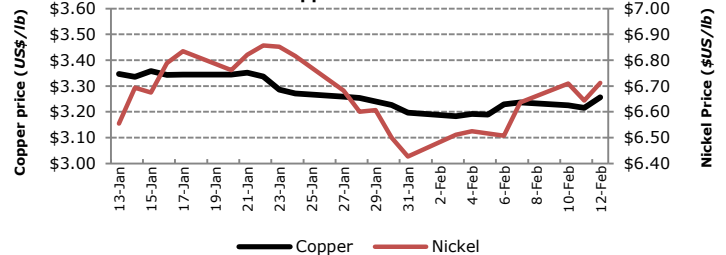
### Gold and Silver



### Industrial Metals

\$US/lb	12-Feb	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.26	+\$0.04	+1.3%	+2.1%	-2.7%	+3.1%
Nickel	\$6.71	+\$0.07	+1.0%	+3.0%	+2.4%	+5.3%
Zinc	\$1.01	+\$0.00	+0.5%	+2.1%	-0.6%	+8.5%
Aluminum	\$0.77	+\$0.01	+1.3%	+1.3%	-1.3%	-2.5%
Uranium	\$35.70	-\$0.05	-0.1%	+0.1%	+1.9%	-1.0%

### Copper and Nickel



### Agriculture & Other

	12-Feb	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$4.40	-\$0.01	-0.3%	-0.7%	+2.0%
Wheat (\$US/bu)	\$5.87	-\$0.03	-0.6%	-0.1%	+1.3%
Soybeans (\$US/bu)	\$13.10	-\$0.11	-0.8%	+0.8%	+1.7%
Rough Rice (\$US/cwt)	\$15.63	+\$0.10	+0.6%	+2.0%	+0.9%
Sugar #11 (¢US/lb)	¢16.11	¢0.38	+2.4%	-1.6%	+2.9%
Lean Hogs (¢US/lb)	¢94.38	¢0.20	+0.2%	-0.7%	+4.1%
Live Cattle (¢US/lb)	¢140.78	¢0.40	-0.3%	+1.2%	+2.2%
Cotton No.2 (\$US/lb)	\$0.89	-\$0.00	-0.4%	+3.2%	+5.7%
Lumber (\$US/Mbft)	\$357.00	-\$2.30	-0.6%	-0.7%	-3.8%

### Commodity ETFs

\$CAD	12-Feb	day Δ	%Δ	5-day	1-mnth
HBP Crude Oil U	\$4.77	+\$0.04	+0.8%	+6.5%	+16.9%
HBP Nat Gas U	\$15.56	-\$0.39	-2.4%	-11.8%	+18.8%
iShares Gold ETF	\$11.46	+\$0.00	+0.0%	+2.4%	+3.9%

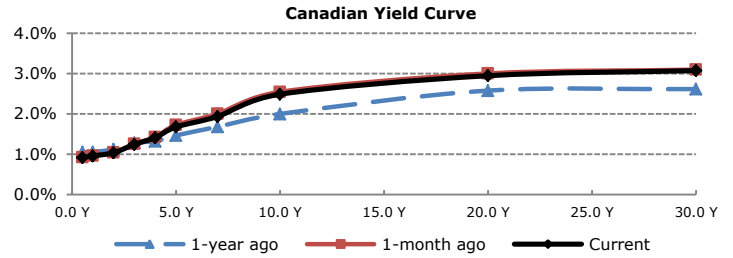
\$USD	12-Feb	day Δ	%Δ	5-day	1-mnth
US Crude Oil	\$35.80	+\$0.16	+0.4%	3.14%	+9.1%
US Nat Gas	\$23.75	-\$0.41	-1.7%	-6.16%	+13.4%
PSDB Agriculture	\$25.49	+\$0.22	+0.9%	0.47%	+5.1%
PSDB Base Metals	\$16.20	+\$0.11	+0.7%	1.89%	-2.6%

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## Interest Rates

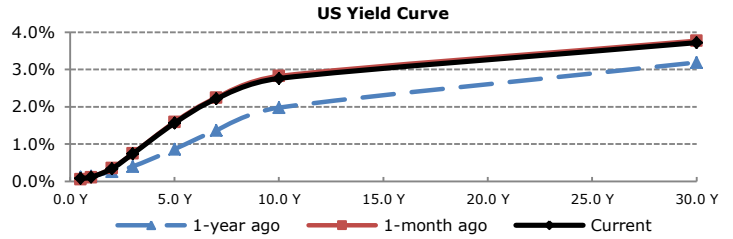
### Canadian yield curve

	<b>12-Feb</b>	<b>day Δ</b>	<i>Historical Levels</i>		
			<b>-1 mnth</b>	<b>-3 mnths</b>	<b>-1 year</b>
3-mnth	0.88%	-	0.89%	0.94%	0.94%
6-mnth	0.91%	-	0.92%	0.95%	1.05%
12-mnth	0.96%	-	0.96%	1.01%	1.05%
2-year	1.04%	+0.03%	1.04%	1.11%	1.12%
5-year	1.67%	+0.03%	1.72%	1.78%	1.46%
10-year	2.49%	+0.03%	2.54%	2.55%	2.00%
20-year	2.94%	+0.02%	3.00%	3.03%	2.57%
30-year	3.07%	+0.01%	3.09%	3.11%	2.61%

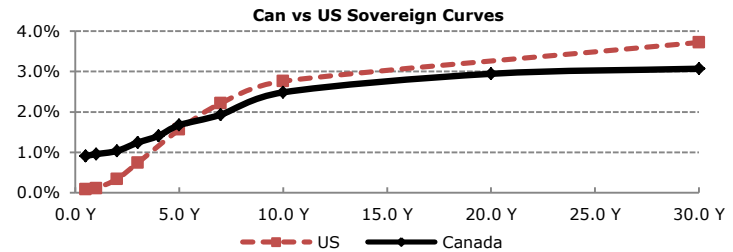
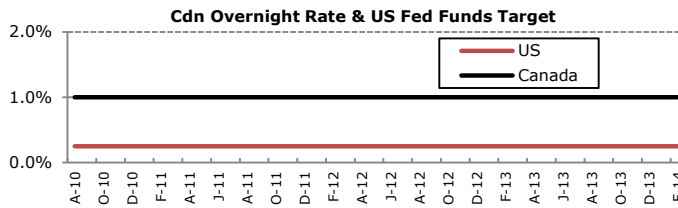


### US yield curve

	<b>12-Feb</b>	<b>day Δ</b>	<i>Historical Levels</i>		
			<b>-1 mnth</b>	<b>-3 mnths</b>	<b>-1 year</b>
3-mnth	0.05%	-	0.03%	0.07%	0.08%
6-mnth	0.08%	-0.01%	0.05%	0.09%	0.12%
12-mnth	0.11%	-0.01%	0.11%	0.12%	0.14%
2-year	0.34%	+0.01%	0.36%	0.29%	0.26%
5-year	1.56%	+0.03%	1.59%	1.33%	0.86%
10-year	2.76%	+0.04%	2.83%	2.69%	1.98%
30-year	3.72%	+0.03%	3.77%	3.79%	3.19%



	<b>Current</b>	<b>Prior</b>	<b>Next Meeting</b>	<b>Survey</b>
Cdn Overnight	1.00%	1.00%	5-Mar-14	1.00%
US Fed Funds	0.25%	0.25%	19-Mar-14	0.25%



## Foreign Exchange

(USDCAD implies 1-USD to CAD)

	<b>Spot</b>	<b>12-Feb</b>	<b>day Δ</b>	<i>Historical Levels</i>		
				<b>-1 mnth</b>	<b>-3 mnths</b>	<b>-1 year</b>
USDCAD	\$1.100	-0.001		1.095	1.050	1.001
EURUSD	\$1.359	-0.004		1.368	1.344	1.336
USDJPY	¥102.53	-0.100		104.22	99.64	92.88
GBPUSD	\$1.660	+0.015		1.644	1.591	1.549
AUDUSD	\$0.903	-0.001		0.897	0.930	1.036

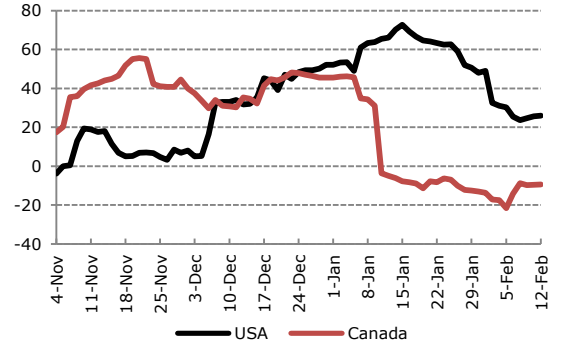
	<b>Spot</b>	<b>12-Feb</b>	<b>day Δ</b>	<i>Historical Levels</i>		
				<b>-1 mnth</b>	<b>-3 mnths</b>	<b>-1 year</b>
CADJPY	¥93.18	-0.043		95.21	94.93	92.78
CADAUD	\$1.007	+0.002		1.019	1.024	0.964
GBPCAD	£1.826	+0.015		1.800	1.669	1.551
EURJPY	¥139.37	-0.600		142.56	133.87	124.11
EURAUD	\$1.51	-0.003		1.53	1.44	1.29

## Economic Releases

### United States

		<b>Period</b>	<b>Survey</b>	<b>Actual</b>	<b>Prior</b>
Thu, Feb 13	Advance Retail Sales	31-Jan	--	--	0.2%
Thu, Feb 13	Continuing Claims	1-Feb	2960K	--	2964K
Thu, Feb 13	Initial Jobless Claims	8-Feb	330K	--	331K
Fri, Feb 14	Industrial Production	31-Jan	0.2K	--	0.3K

### Citigroup Economic Surprise Index

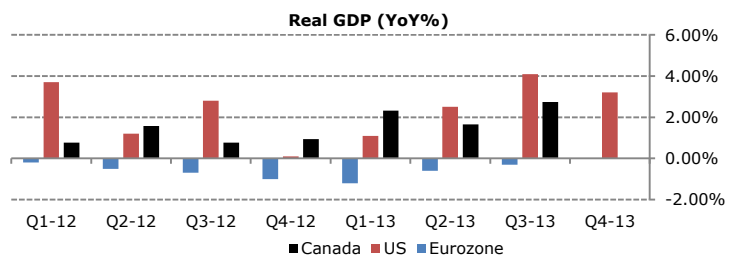


### Canada

		<b>Period</b>	<b>Survey</b>	<b>Actual</b>	<b>Prior</b>
Mon, Feb 10	Housing Starts	31-Jan	185K	180.2K	189.672K
Fri, Feb 14	Manufacturing Sales (MoM)	31-Dec	--	--	1%

## Economics

	<b>Q1-13</b>	<b>Q2-13</b>	<b>Q3-13</b>	<b>Q4-13</b>	<b>2013E</b>
<b>Canada</b>					
Real GDP	2.32%	1.65%	2.74%	NA	1.70%
CPI	0.90%	0.77%	1.17%	0.93%	0.95%
Unemployment	7.30%	7.10%	6.90%	7.20%	7.05%
<b>US</b>					
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%
<b>China</b>					
Real GDP	7.70%	7.50%	7.80%	7.70%	7.70%



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