

Today's Commentary

Equities continue to gain as the S&P added +0.58% and is currently at 1,829.83. Meanwhile the TSX gained +0.73% Thursday, breaking the 14,000 mark and now stands at 14,001.65. Additionally, US and Canadian yields for 10 year government notes fell and are 2.73% and 2.45% respectively to start the day. This week has been relatively uneventful in terms of data releases and today we will have Canadian Manufacturing Sales, US Import Prices, Capacity Utilisation, Industrial Production and University of Michigan Sentiment numbers reported. Next week there will be more prominent statistics with inflation estimates coming in the second half.

US Treasuries rose yesterday for the first time in three days as U.S. retail sales unexpectedly fell in January by the most since June 2012 and initial claims for jobless benefits rose more than forecast last week. Jobless claims increased by 8,000 to 339,000 in the week ended Feb. 8, from 331,000 in the prior period, a Labor Department report showed. Economists surveyed by Bloomberg called for a decrease of 330,000. Treasuries extended gains as the Commerce Department reported retail sales decreased 0.4 percent as winter weather kept consumers away from auto showrooms and stores, after a revised 0.1 percent decline the prior month. Economists surveyed by Bloomberg projected no change. Reports today are forecast to show growth in US industrial production slowed and consumer confidence fell, adding to signs the economic recovery is waning. The poor data may continue to bode well for a better bid for Treasuries. The 10-year treasury yields sank six basis points, or 0.06 percentage points, to 2.73 percent at 5 p.m. New York time.

After pressures from his own political party, Italian Prime Minister, Enrico Letta is ready to step down, possibly placing the debt-crippled country in the hands of 39-year-old Matteo Renzi. Letta is the third premier in a row brought to an early end by Italy's fragmented parliament. Italy's President, Giorgio Napolitano, will need to appoint a new prime minister or dissolve the legislature and call snap elections. "Snap elections seem unlikely at this stage," Fabio Fois, an economist with Barclays Plc, said in a note to investors. "The takeover by Renzi is likely to be seen by the market as a moderately positive event as it would increase the likelihood of an acceleration of the reform process." Italy's 10-year yield fell 2bps to 3.71% yesterday. Markets remained relatively sanguine on Thursday about the prospect of the Eurozone's third-largest economy coming into command of a relative political novice, with public debt of €2 trillion and youth unemployment at record highs.

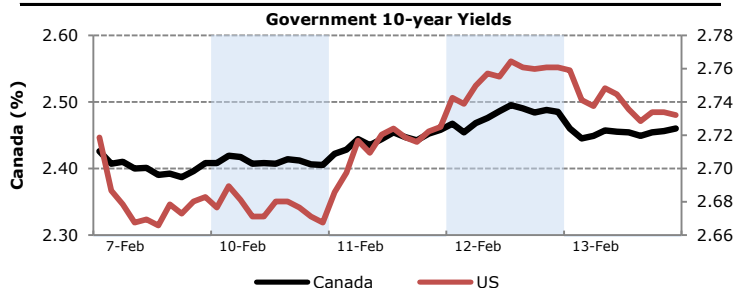
The Daily Roll is written by MFE Candidates Luke Ostapiak, Wendy Ren and Tony Wu in partnership with the Rotman Finance Association. Please email dailyroll@economics.utoronto.ca to subscribe/unsubscribe.

Today's Major Economic Releases

United States	Period	Survey	Actual	Prior
Industrial Production	31-Dec	0.2K	--	0.3K

Canada	Period	Survey	Actual	Prior
Manufacturing Sales (MoM)	31-Dec	0.3%	--	1%

Interest Rates



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/>

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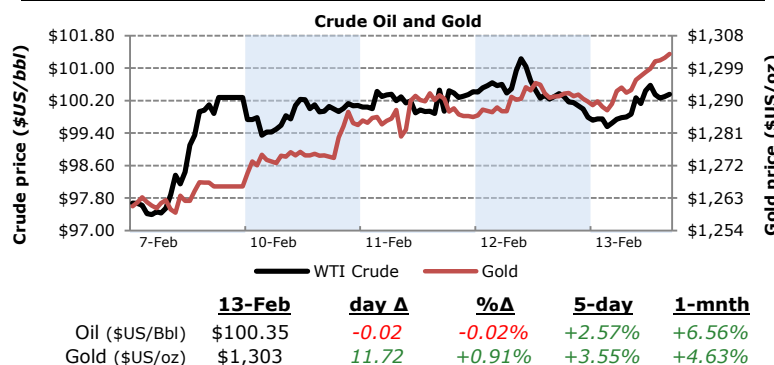


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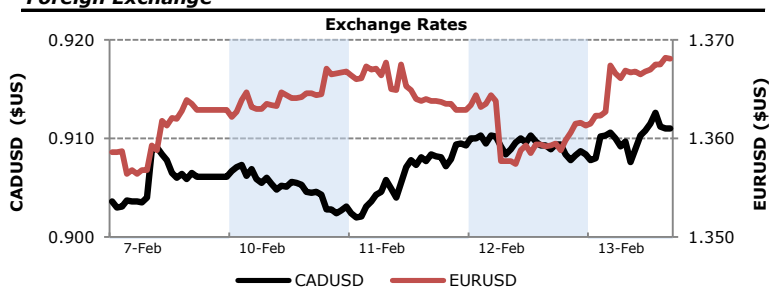
Equities



Commodities



Foreign Exchange



(USDCAD implies \$1-USD to CAD)

	Spot	13-Feb	day Δ	Historical levels		
				-5 days	-1 mnth	-1 year
USDCAD	\$1.098		-0.003	1.107	1.093	1.006
EURUSD	\$1.368		+0.009	1.359	1.361	1.336
USDJPY	¥102.17		-0.360	102.110	104.56	93.50

Government 10-year Yields

	13-Feb	day Δ	Historical levels		
			-1 mnth	-3 mnths	-1 year
Canada	2.46%	-0.025%	2.59%	2.56%	2.04%
United States	2.73%	-0.029%	2.87%	2.70%	2.03%

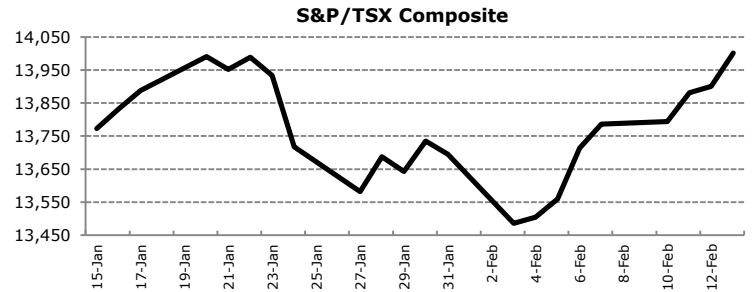
Rotman Finance Association



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>

	13-Feb	day Δ	%Δ
S&P/TSX	14,001.65	101.16	+0.73%
Trailing S&P/TSX TSX 60			
5-day	+2.10%	+2.11%	
1-month	+2.34%	+1.93%	
3-months	+4.72%	+4.06%	
6-months	+10.75%	+10.91%	
12-months	+9.60%	+9.41%	



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+0.49%	+0.26%	-0.74%	+32.83%
C. Staples	+0.64%	+1.72%	+1.75%	+22.08%
Energy	+0.70%	+1.32%	+3.00%	+7.92%
Financials	+0.77%	+1.95%	-0.56%	+15.20%
Healthcare	+1.48%	+5.63%	+6.49%	+45.48%
Info Tech	+0.29%	+0.79%	+6.87%	+30.87%
Industrials	-0.19%	+0.34%	+0.16%	+20.89%
Materials	+1.57%	+5.65%	+9.14%	-16.22%
Metals & Mining	-2.11%	+1.19%	+5.44%	-15.53%
Telecom	+0.16%	-0.99%	-2.08%	+1.58%
Utilities	+0.05%	+0.98%	+3.09%	-6.13%

TSX Top Performers

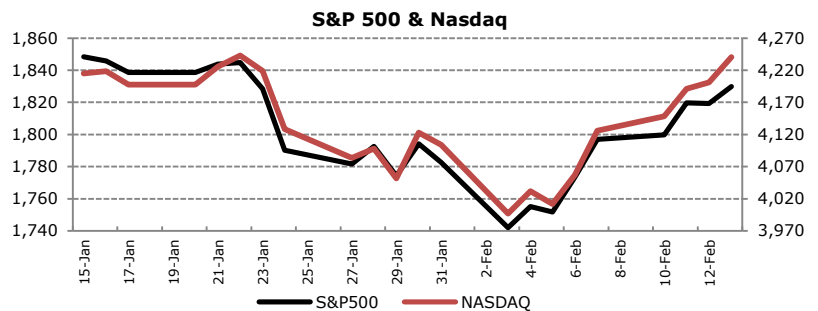
<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Birchcliff Energy Ltd	+10.51%	+7.22%	+29.82%	+24.47%
Silvercorp Metals Inc	+10.03%	+28.37%	+29.75%	-12.16%
Home Capital Group Inc	+8.60%	+9.50%	+7.13%	+41.62%
China Gold International	+8.14%	+12.05%	+26.53%	+12.39%
Atlantic Power Corp	+7.42%	+12.24%	-21.99%	-75.13%

TSX Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Bombardier Inc-B	-8.91%	-12.38%	-18.04%	-7.57%
Turquoise Hill Resources	-7.16%	-3.31%	-3.05%	-39.80%
Teck Resources Ltd-Cls B	-6.68%	-3.27%	-0.23%	-20.21%
Air Canada-Class B	-4.50%	-23.55%	-32.50%	+152.77%
Mullen Group Ltd	-4.46%	-5.28%	-4.66%	+19.46%

US Indices

<i>Trailing</i>	S&P 500	DJIA	Nasdaq
13-Feb	1,829.83	16,027.59	4,240.67
1-day	+0.58%	+0.40%	+0.94%
5-day	+3.18%	+2.55%	+4.52%
1-month	+0.58%	-1.42%	+3.10%
3-months	+2.68%	+1.30%	+6.94%
6-months	+8.01%	+3.73%	+15.10%
12-months	+20.36%	+14.62%	+32.65%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+0.43%	+2.44%	-0.41%	+27.54%
C. Staples	+0.42%	+2.36%	-1.73%	+10.36%
Energy	+0.38%	+1.90%	-1.83%	+6.74%
Financials	+0.38%	+2.71%	-0.66%	+21.52%
Healthcare	+0.78%	+4.74%	+2.87%	+34.09%
Info Tech	+0.90%	+4.18%	+3.21%	+24.01%
Industrials	+0.22%	+2.68%	-0.98%	+23.88%
Materials	+0.95%	+3.73%	+1.59%	+15.80%
Telecom	+0.99%	+3.64%	+0.73%	-1.47%
Utilities	+1.15%	+3.27%	+5.20%	+8.39%

DJIA Top Performers

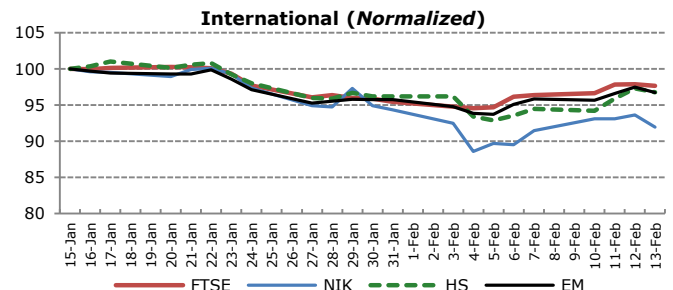
<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
At&T Inc	+1.67%	+4.66%	+0.57%	-0.49%
Unitedhealth Group Inc	+1.38%	+0.48%	-3.69%	+26.41%
Boeing Co/The	+1.07%	+6.16%	-7.44%	+76.48%

DJIA Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Cisco Systems Inc	-2.54%	-0.98%	+0.36%	+8.55%
3M Co	-0.23%	+1.63%	-2.74%	+29.42%
American Express Co	-0.13%	+3.75%	+2.20%	+44.83%

International Markets

<i>Trailing</i>	FTSE 100	Nikkei	Hang Seng	MSCI EM
Last Close	6,659.42	14,534.74	22,165.53	945.83
1-day	-0.23%	-1.79%	-0.54%	-0.78%
5-day	+1.54%	+2.68%	+3.47%	+1.72%
1-month	-1.45%	-5.76%	-3.16%	-3.23%
3-months	+0.44%	-0.22%	-1.33%	-3.47%
6-months	+0.72%	+4.82%	-1.67%	-2.08%
12-months	+4.72%	+29.18%	-4.52%	-11.18%



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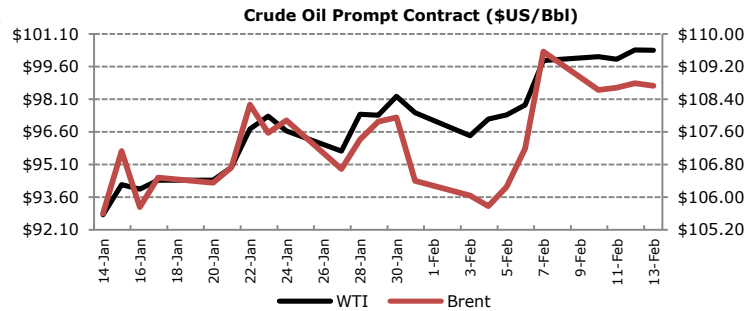
Nymex WTI Crude Oil

(\$US/Bbl)	13-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$100.35	-\$0.02	-0.02%	+2.57%	+6.56%
Cal 14	\$97.21	+\$0.11	+0.12%	+2.61%	+4.02%
Cal 15	\$89.50	+\$0.06	+0.07%	+1.95%	+2.71%

(\$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	\$99.30	\$96.88	\$94.42	\$92.08	\$89.50

Inventory Levels (as of Feb-07)

(MBbls)	Current	Week Δ	Last Yr	5 Yr. Avg
Crude Oil	361,352	+3,267	337,426	319,411
Motor Gas	233,098	-1,853	214,389	200,481
Distillates	113,063	-731	171,756	140,851

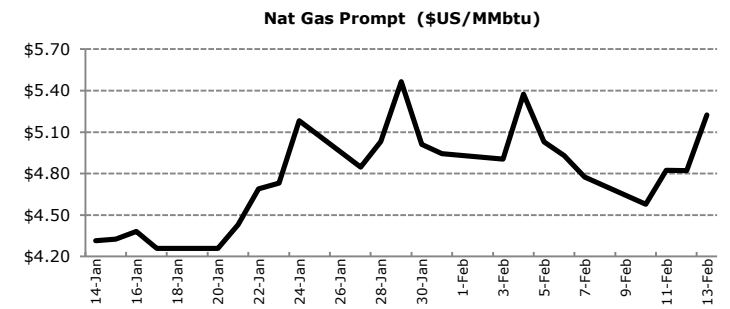
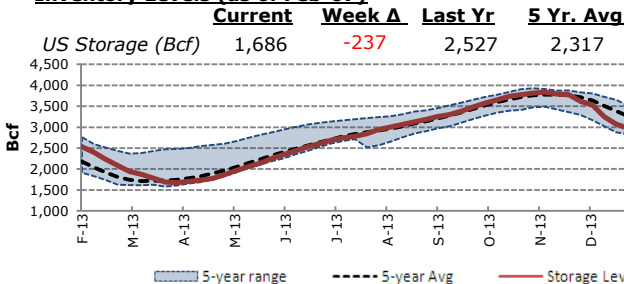


(\$US/Bbl)	13-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$108.73	-\$0.06	-0.06%	+1.44%	+1.49%

Nymex Natural Gas

(\$US/MMbtu)	13-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$5.22	+\$0.40	+8.32%	+5.92%	+20.76%
Apr14-Oct14	\$4.62	+\$0.06	+1.26%	+1.70%	+9.83%
Nov14-Mar15	\$4.76	+\$0.05	+1.01%	+1.24%	+8.43%
Apr15-Oct15	\$4.02	-\$0.00	-0.05%	-0.13%	-1.69%
Nov15-Mar16	\$4.29	+\$0.00	+0.06%	-0.09%	+0.35%

Inventory Levels (as of Feb-07)

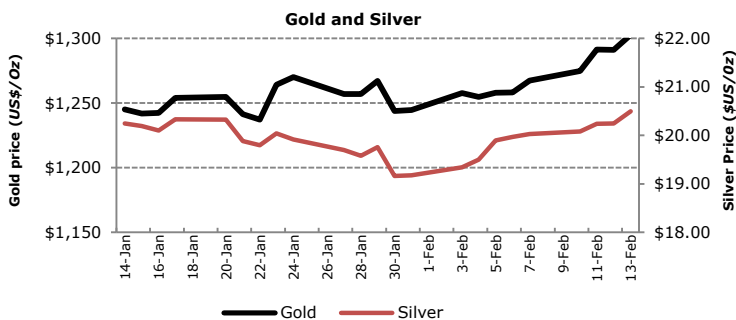


Alberta Natural Gas

(\$CAD/GJ)	13-Feb	day Δ	%Δ
AECO Mar-14	\$5.19	+\$0.32	+6.5%

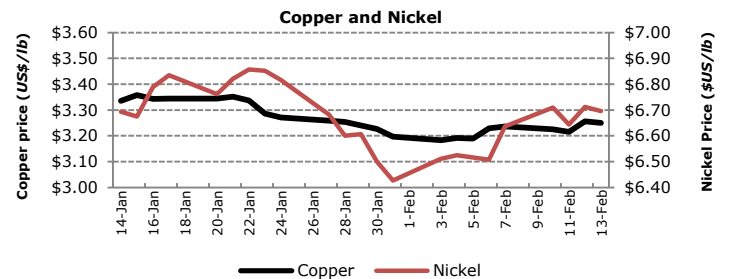
Precious Metals

\$US/oz	13-Feb	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,302.90	+\$11.72	+0.9%	+3.6%	+4.6%	+4.7%
Silver	\$20.50	+\$0.25	+1.3%	+2.6%	+1.2%	+3.2%
Platinum	\$1,419	+\$12.38	+0.9%	+3.0%	-0.9%	+1.8%



Industrial Metals

\$US/lb	13-Feb	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.25	-\$0.01	-0.2%	+0.7%	-2.6%	+2.9%
Nickel	\$6.70	-\$0.02	-0.2%	+2.9%	+0.0%	+5.6%
Zinc	\$1.01	+\$0.00	+0.2%	+1.9%	-3.0%	+8.6%
Aluminum	\$0.77	+\$0.00	0.0%	+2.7%	-1.3%	-2.5%
Uranium	\$35.70	+\$0.00	0.0%	+0.1%	+1.9%	-1.5%



Agriculture & Other

	13-Feb	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$4.41	+\$0.00	+0.1%	-0.6%	+3.5%
Wheat (\$US/bu)	\$5.94	+\$0.08	+1.3%	+2.0%	+3.3%
Soybeans (\$US/bu)	\$13.31	+\$0.21	+1.6%	+1.4%	+2.5%
Rough Rice (\$US/cwt)	\$15.71	+\$0.09	+0.5%	+2.1%	+0.4%
Sugar #11 (¢US/lb)	¢16.04	¢0.07	-0.4%	-0.5%	+4.0%
Lean Hogs (¢US/lb)	¢94.93	¢0.55	+0.6%	+0.8%	+3.7%
Live Cattle (¢US/lb)	¢142.40	¢1.63	+1.2%	+2.4%	+2.5%
Cotton No.2 (\$US/lb)	\$0.89	-\$0.00	-0.3%	+1.9%	+4.3%
Lumber (\$US/Mbft)	\$359.30	+\$2.30	+0.6%	-0.1%	-2.2%

Commodity ETFs

\$CAD	13-Feb	day Δ	%Δ	5-day	1-mnth
HBP Crude Oil U	\$4.79	+\$0.02	+0.4%	+5.5%	+12.4%
HBP Nat Gas U	\$16.62	+\$1.06	+6.8%	-1.1%	+28.3%
iShares Gold ETF	\$11.56	+\$0.10	+0.9%	+3.5%	+5.0%

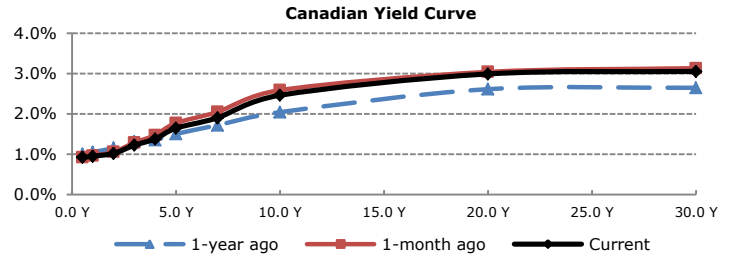
\$USD	13-Feb	day Δ	%Δ	5-day	1-mnth
US Crude Oil	\$35.87	+\$0.07	+0.2%	2.78%	+8.6%
US Nat Gas	\$25.20	+\$1.45	+6.1%	1.82%	+18.8%
PSDB Agriculture	\$25.49	+\$0.00	+0.0%	1.55%	+4.8%
PSDB Base Metals	\$16.29	+\$0.09	+0.6%	1.94%	-1.7%

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Interest Rates

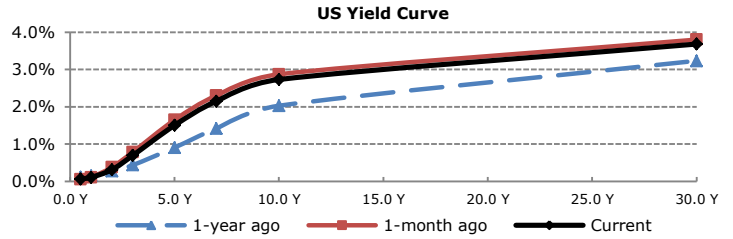
Canadian yield curve

	13-Feb	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.88%	-	0.89%	0.94%	0.94%
6-mnth	0.92%	-	0.92%	0.95%	1.00%
12-mnth	0.95%	-0.01%	0.96%	1.02%	1.05%
2-year	1.02%	-0.02%	1.06%	1.12%	1.15%
5-year	1.64%	-0.03%	1.77%	1.78%	1.50%
10-year	2.46%	-0.02%	2.59%	2.56%	2.04%
20-year	2.99%	+0.04%	3.04%	3.04%	2.61%
30-year	3.05%	-0.02%	3.13%	3.12%	2.65%

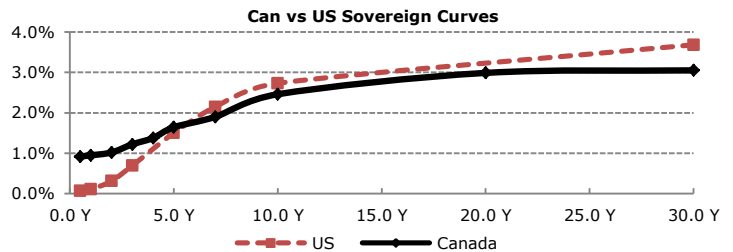
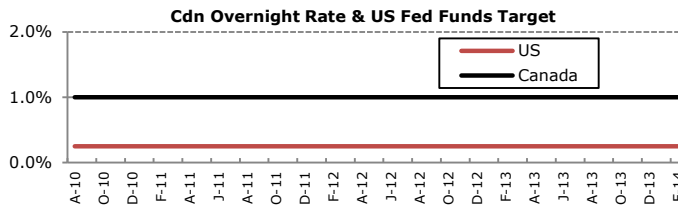


US yield curve

	13-Feb	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.02%	-0.03%	0.03%	0.07%	0.09%
6-mnth	0.07%	-0.02%	0.06%	0.09%	0.12%
12-mnth	0.11%	-0.01%	0.11%	0.12%	0.15%
2-year	0.31%	-0.03%	0.38%	0.29%	0.27%
5-year	1.50%	-0.06%	1.65%	1.34%	0.91%
10-year	2.73%	-0.03%	2.87%	2.70%	2.03%
30-year	3.68%	-0.04%	3.80%	3.79%	3.23%



	Current	Prior	Next Meeting	Survey
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)

	Spot	13-Feb	day Δ	<i>Historical Levels</i>		
				-1 mnth	-3 mnths	-1 year
USDCAD	\$1.098	-0.003		1.093	1.046	1.006
EURUSD	\$1.368	+0.009		1.361	1.349	1.336
USDJPY	¥102.17	-0.360		104.56	99.25	93.50
GBPUSD	\$1.666	+0.006		1.637	1.606	1.552
AUDUSD	\$0.898	-0.005		0.892	0.936	1.031

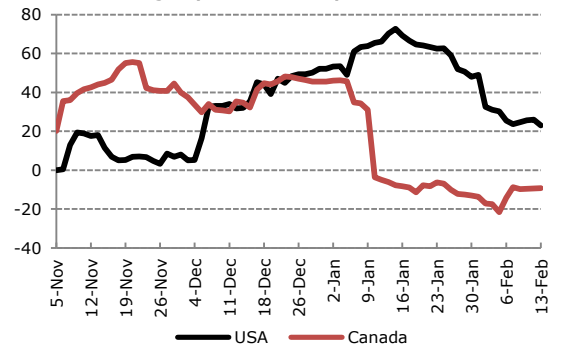
	Spot	13-Feb	day Δ	<i>Historical Levels</i>		
				-1 mnth	-3 mnths	-1 year
CADJPY	¥93.07	-0.114		95.63	94.91	92.91
CADAUD	\$1.014	+0.008		1.026	1.022	0.964
GBPCAD	£1.829	+0.003		1.790	1.679	1.562
EURJPY	¥139.77	+0.400		142.25	133.85	124.96
EURAUD	\$1.52	+0.018		1.53	1.44	1.30

Economic Releases

United States

		Period	Survey	Actual	Prior
Thu, Feb 13	Advance Retail Sales	31-Jan	0.0%	-0.4%	0.2%
Thu, Feb 13	Continuing Claims	1-Feb	2964K	2953K	2964K
Thu, Feb 13	Initial Jobless Claims	8-Feb	330K	339K	331K
Fri, Feb 14	Industrial Production	31-Dec	0.2K	--	0.3K

Citigroup Economic Surprise Index

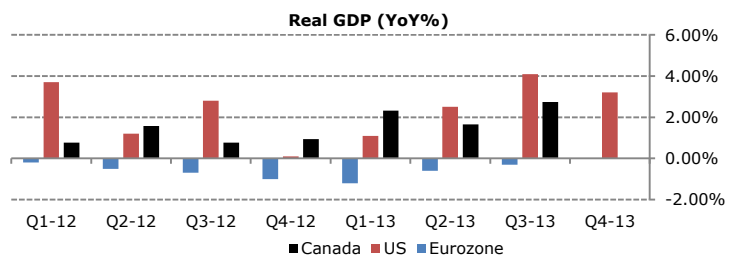


Canada

		Period	Survey	Actual	Prior
Mon, Feb 10	Housing Starts	31-Jan	185K	180.2K	189.7K
Fri, Feb 14	Manufacturing Sales (MoM)	31-Dec	0.3%	--	1%

Economics

	Q1-13	Q2-13	Q3-13	Q4-13	2013E
Canada					
Real GDP	2.32%	1.65%	2.74%	NA	1.80%
CPI	0.90%	0.77%	1.17%	0.93%	0.95%
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%



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