

Today's Commentary

Equities advanced Monday with the S&P reaching an intraday and all-time high of 1,858.71 before retreating to 1,847.61 by day end, finishing up +0.61%. Meanwhile in Canada the TSX added +0.15% and now stands at 14,227.08. Rates traded flat over the day with US and Canadian 10-year yields at 2.73% and 2.52% respectively. These moves come with an anticipated end to violent protests in Ukraine as president Yanukovich is out of power, though worries about Ukraine-Russia relations and the implied increased probability of a Ukrainian default mount. This morning news will again be light with only the US FHFA House Price Index (expected 0.3% m/m), S&P Case-Shiller Home Price Index (expected 13.38% y/y), and Consumer Confidence Index (expected 80) to be released.

JPMorgan is planning more job cuts in its mortgage business on top of the 13,000-15,000 positions already due to be slashed because of plunging demand for home loans. It is part of a new efficiency drive at the largest US bank by assets that encompasses staffing branches with fewer employees. Rising interest rates have stifled demand for mortgage refinancings, causing the biggest banks to cut tens of thousands of positions over the past two years. Profitability at JPMorgan remains relatively stronger than that of its competitors, such as Bank of America and Citigroup, but the bank is looking to find new savings, partly because of technology that allows greater automation of clerical functions in branches and partly because of a plunge in demand. Despite two years of giant legal costs and fraught run-ins with regulators, the investor meeting comes at a time when the bank's share price of \$58.03 is close to a record high. JPMorgan intends to display its "branch of the future" to investors at its Park Avenue headquarters on Tuesday.

The Chinese yuan tumbled the most in more than three years on speculation of possible changes in China's foreign exchange regime by the central bank. The CNY dropped as much as 0.4% against the dollar in the onshore market during the Asian day, and has fallen almost 1% since Wednesday. The offshore currency, or CNH, can trade freely and is the focus for international investors is also trading at their weakest levels against the dollar since September. "The PBOC is engineering the yuan declines, which might mean the central bank wishes to change the perception of the one-way bet on yuan gains," said Kenix Lai, a Hong Kong-based currency analyst at Bank of East Asia Ltd. "It also looks like the PBOC is introducing two-way volatility as it prepares the CNY for a wider trading band." Chinese lawmakers will start annual meetings next week to decide on major economic policies and growth targets.

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.

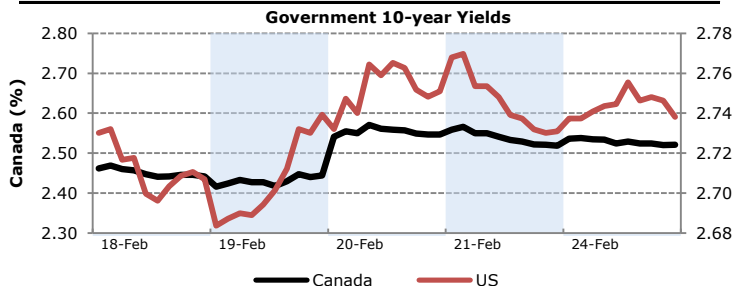
Today's Major Economic Releases

United States	Period	Survey	Actual	Prior
Consumer Confidence	28-Feb	80	--	80.7
New Home Sales	31-Jan	400K	--	414K
Durable Goods Orders	31-Jan	-1.6%	--	-4.3%

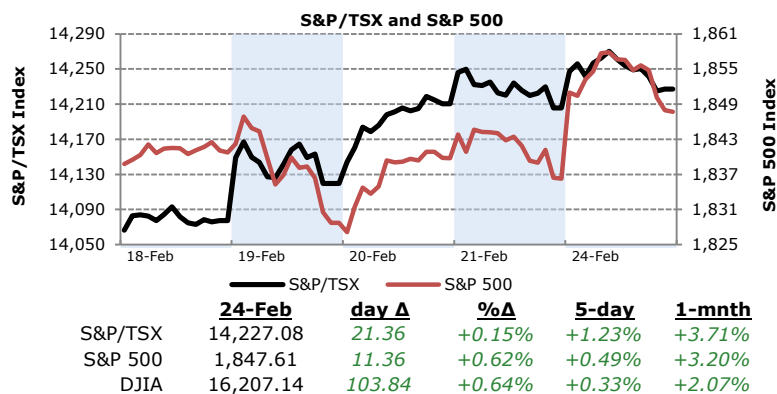
Canada

None Scheduled

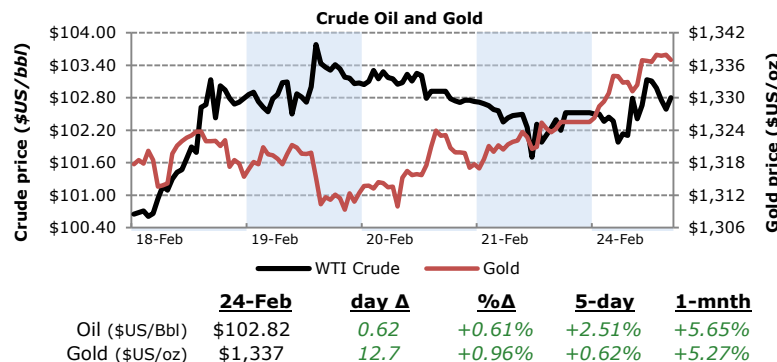
Interest Rates



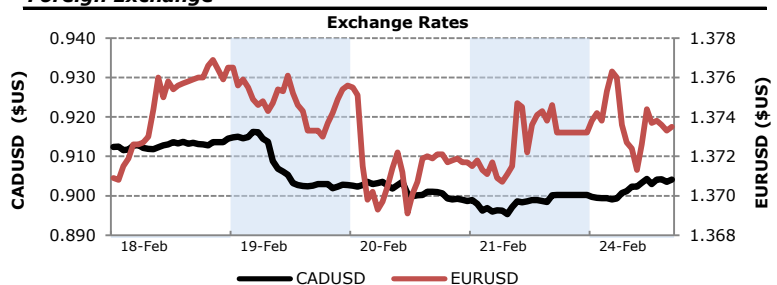
Equities



Commodities



Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	24-Feb	day Δ	Historical levels		
			-5 days	-1 mnth	-1 year
USDCAD	\$1.106	-0.005	1.098	1.110	1.026
EURUSD	\$1.374	-0.001	1.369	1.370	1.306
USDJPY	¥102.51	+0.000	101.800	103.26	91.82

Government 10-year Yields

	24-Feb	day Δ	Historical levels		
			-1 mnth	-3 mnths	-1 year
Canada	2.52%	0.002%	2.40%	2.52%	1.94%
United States	2.74%	0.007%	2.72%	2.71%	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>

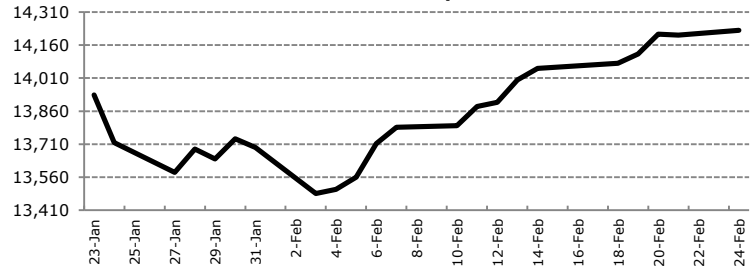
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S&P/TSX Composite

	24-Feb	day Δ	%Δ
S&P/TSX	14,227.08	21.36	+0.15%
Trailing S&P/TSX TSX 60			
5-day	+1.23%	+1.29%	
1-month	+3.71%	+3.51%	
3-months	+5.56%	+4.93%	
6-months	+11.48%	+11.31%	
12-months	+12.01%	+11.73%	



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	+0.13%	-0.04%	-0.65%	+32.14%
C. Staples	+0.75%	+2.24%	+4.41%	+24.20%
Energy	+0.75%	+2.36%	+4.47%	+12.12%
Financials	-0.05%	+0.68%	+1.62%	+15.21%
Healthcare	-0.63%	+0.85%	+5.84%	+45.87%
Info Tech	+0.23%	+1.65%	+1.63%	+34.69%
Industrials	+0.89%	+1.82%	+4.73%	+23.34%
Materials	-0.39%	+1.33%	+8.63%	-9.14%
Metals & Mining	-0.97%	-0.88%	+0.58%	-9.49%
Telecom	+0.38%	+1.61%	+0.62%	+0.66%
Utilities	-0.10%	-0.87%	+2.48%	-7.53%

TSX Top Performers

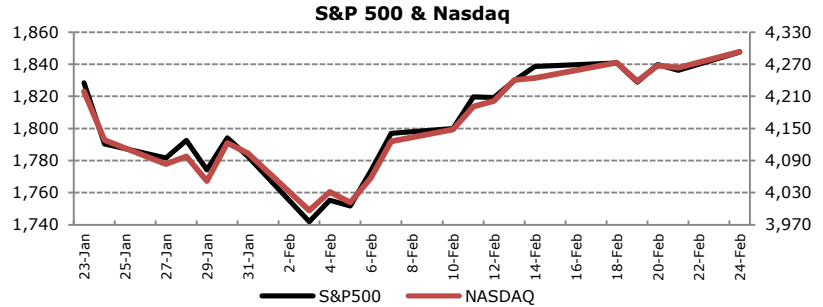
	Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Blackberry Ltd		+6.88%	+10.13%	-0.64%	-19.36%
Blackpearl Resources Inc		+4.18%	+14.64%	+13.22%	-0.36%
Finning International Inc		+3.93%	+5.75%	+14.12%	+15.61%
Oceanagold Corp		+3.75%	+6.95%	+36.45%	+15.42%
Meg Energy Corp		+3.70%	+7.66%	+10.57%	+0.83%

TSX Worst Performers

	Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Constellation Software In		-4.05%	-5.21%	+4.91%	+99.10%
Transalta Corp		-3.47%	-12.35%	-8.74%	-20.94%
Pretium Resources Inc		-3.36%	-5.02%	+1.84%	-14.20%
Teck Resources Ltd-Cls B		-2.99%	-4.76%	-6.05%	-21.28%
Athabasca Oil Corp		-2.52%	+5.84%	+9.37%	-17.20%

US Indices

	S&P 500	DJIA	Nasdaq
Trailing			
24-Feb	1,847.61	16,207.14	4,292.97
1-day	+0.62%	+0.64%	+0.69%
5-day	+0.49%	+0.33%	+1.15%
1-month	+3.20%	+2.07%	+3.99%
3-months	+2.37%	+0.89%	+7.55%
6-months	+11.07%	+7.97%	+17.37%
12-months	+21.91%	+15.76%	+35.78%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	+0.55%	+0.47%	+3.16%	+30.54%
C. Staples	+0.37%	-0.31%	+0.38%	+8.41%
Energy	+1.52%	+1.95%	+3.18%	+11.47%
Financials	+0.83%	-0.03%	+2.32%	+21.98%
Healthcare	+0.75%	+1.70%	+6.24%	+36.41%
Info Tech	+0.52%	+0.06%	+3.01%	+25.22%
Industrials	+0.80%	+0.46%	+3.47%	+25.85%
Materials	-0.51%	-0.22%	+4.81%	+20.47%
Telecom	-1.30%	-1.18%	-1.84%	-3.38%
Utilities	-0.31%	+0.37%	+5.96%	+8.82%

DJIA Top Performers

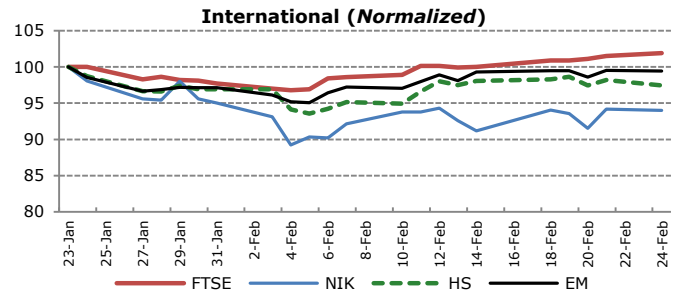
	Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Unitedhealth Group Inc		+2.98%	+3.39%	+6.16%	+39.54%
Nike Inc -Cl B		+1.78%	+3.69%	+8.64%	+42.90%
Pfizer Inc		+1.68%	+0.16%	+6.31%	+16.84%

DJIA Worst Performers

	Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Verizon Communications In		-2.20%	-0.60%	-2.94%	+1.83%
At&T Inc		-1.01%	-2.05%	-2.84%	-9.00%
Microsoft Corp		-0.76%	+0.19%	+2.39%	+35.77%

International Markets

	FTSE 100	Nikkei	Hang Seng	MSCI EM
Trailing				
Last Close	6,865.86	14,837.68	22,388.56	958.42
1-day	+0.41%	-0.19%	-0.80%	-0.09%
5-day	+1.93%	+3.09%	-0.65%	+0.12%
1-month	+3.03%	-3.60%	-0.27%	+0.90%
3-months	+2.87%	-3.54%	-5.52%	-5.03%
6-months	+5.76%	+8.62%	+2.40%	+2.75%
12-months	+8.37%	+30.32%	-1.73%	-9.02%



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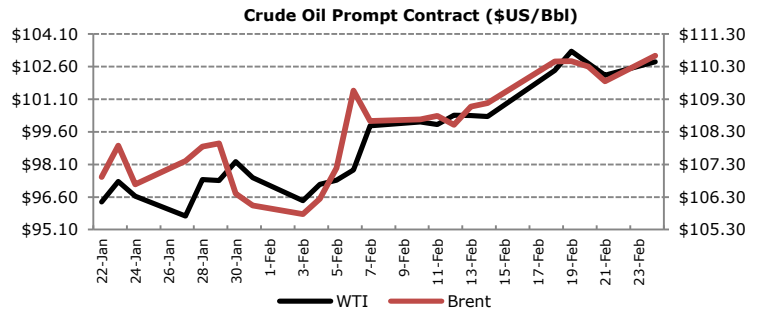
Nymex WTI Crude Oil

(\$US/Bbl)	24-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$102.82	+\$0.62	+0.61%	+2.51%	+5.65%
Cal 14	\$99.15	+\$0.63	+0.64%	+2.17%	+10.20%
Cal 15	\$90.38	+\$0.36	+0.40%	+0.87%	+6.97%

(\$US/bbl)	Q3-14	Q4-14	Q1-15	Q2-15	2015
Consensus Forecast	\$97.00	\$95.00	\$96.50	\$95.00	\$94.86
Current Forward	\$99.16	\$96.26	\$93.50	\$91.15	\$90.38

Inventory Levels (as of Feb-14)

(MMbbls)	Current	Week Δ	Last Yr	5 Yr. Avg
Crude Oil	362,325	+973	337,426	319,411
Motor Gas	233,407	+309	214,389	200,481
Distillates	112,724	-339	171,756	140,851

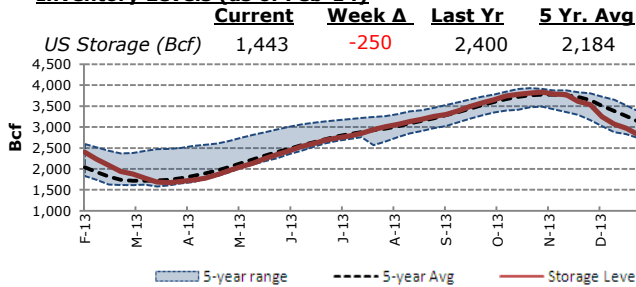


(\$US/Bbl)	24-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$110.64	+\$0.79	+0.71%	+1.34%	+2.56%

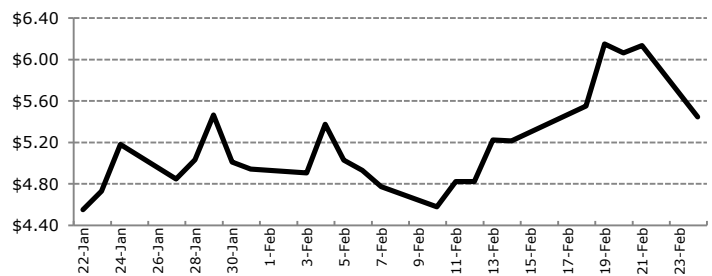
Nymex Natural Gas

(\$US/MMbtu)	24-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$5.45	-\$0.69	-11.25%	+4.43%	+15.12%
Apr14-Oct14	\$4.56	-\$0.25	-5.10%	-0.03%	+16.06%
Nov14-Mar15	\$4.69	-\$0.19	-3.94%	-0.38%	+13.64%
Apr15-Oct15	\$3.95	-\$0.05	-1.20%	-1.36%	+1.20%
Nov15-Mar16	\$4.25	-\$0.04	-0.91%	-0.50%	+3.69%

Inventory Levels (as of Feb-14)



Nat Gas Prompt (\$US/MMbtu)

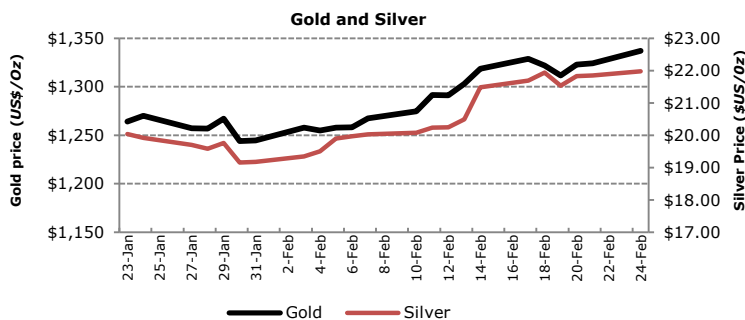


Alberta Natural Gas

(\$CAD/GJ)	24-Feb	day Δ	%Δ
AECO Mar-14	\$5.09	-\$0.64	-11.2%

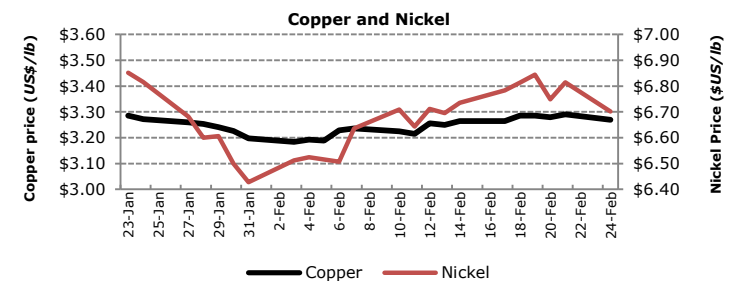
Precious Metals

\$US/oz	24-Feb	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,336.98	+\$12.70	+1.0%	+0.6%	+5.3%	+6.7%
Silver	\$21.98	+\$0.12	+0.6%	+1.3%	+10.3%	+9.9%
Platinum	\$1,439	+\$9.63	+0.7%	+0.6%	+0.5%	+5.6%



Industrial Metals

\$US/lb	24-Feb	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.27	-\$0.02	-0.6%	+0.2%	-0.0%	+1.2%
Nickel	\$6.70	-\$0.11	-1.7%	-1.2%	-1.7%	+6.4%
Zinc	\$1.02	-\$0.01	-0.8%	-0.9%	+1.4%	+9.3%
Aluminum	\$0.77	-\$0.02	-2.5%	0.0%	-1.3%	-1.3%
Uranium	\$35.45	-\$0.25	-0.7%	-0.7%	-0.8%	-2.2%



Agriculture & Other

	24-Feb	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$4.58	-\$0.01	-0.3%	+1.6%	+5.0%
Wheat (\$US/bu)	\$6.17	+\$0.12	+1.9%	+3.5%	+8.0%
Soybeans (\$US/bu)	\$13.75	+\$0.15	+1.1%	+3.8%	+8.3%
Rough Rice (\$US/cwt)	\$15.81	+\$0.48	+3.1%	+2.6%	+2.1%
Sugar #11 (¢US/lb)	¢17.68	+¢0.61	+3.6%	+10.6%	+15.6%
Lean Hogs (¢US/lb)	¢99.25	-¢0.10	-0.1%	+3.2%	+5.6%
Live Cattle (¢US/lb)	¢141.23	-¢0.22	-0.2%	+0.1%	+0.8%
Cotton No.2 (\$US/lb)	\$0.89	+\$0.01	+1.1%	+0.3%	+2.1%
Lumber (\$US/Mbft)	\$364.20	+\$1.90	+0.5%	+1.0%	+0.7%

Commodity ETFs

\$CAD	24-Feb	day Δ	%Δ	5-day	1-mnth
HBP Crude Oil U	\$5.03	+\$0.03	+0.6%	+4.8%	+12.0%
HBP Nat Gas U	\$17.45	-\$2.32	-11.7%	+7.3%	+16.2%
iShares Gold ETF	\$11.87	+\$0.09	+0.8%	+1.4%	+5.8%

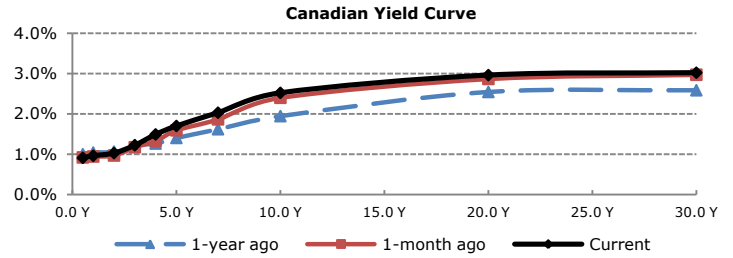
\$USD	24-Feb	day Δ	%Δ	5-day	1-mnth
US Crude Oil	\$36.79	+\$0.10	+0.3%	2.45%	+6.0%
US Nat Gas	\$26.12	-\$1.57	-5.7%	4.56%	+14.5%
PSDB Agriculture	\$26.97	+\$0.33	+1.2%	5.60%	+11.1%
PSDB Base Metals	\$16.33	-\$0.04	-0.2%	0.06%	-0.6%

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Interest Rates

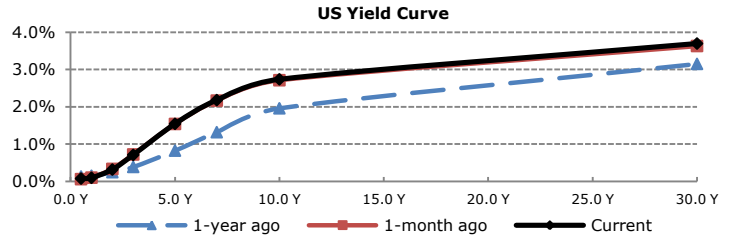
Canadian yield curve

	24-Feb	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.86%	-	0.90%	0.94%	0.96%
6-mnth	0.91%	-	0.92%	0.96%	1.00%
12-mnth	0.96%	+0.00%	0.94%	1.01%	1.04%
2-year	1.03%	+0.01%	0.97%	1.10%	1.07%
5-year	1.70%	+0.01%	1.59%	1.72%	1.40%
10-year	2.52%	+0.00%	2.40%	2.52%	1.94%
20-year	2.96%	+0.00%	2.87%	3.01%	2.54%
30-year	3.02%	+0.00%	2.97%	3.11%	2.59%

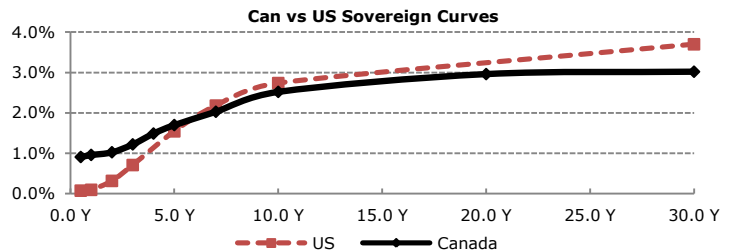
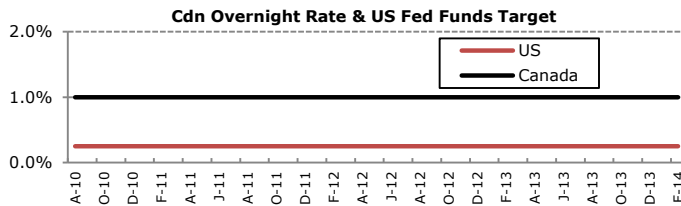


US yield curve

	24-Feb	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.04%	-	0.05%	0.07%	0.12%
6-mnth	0.08%	-	0.06%	0.10%	0.13%
12-mnth	0.10%	-0.01%	0.10%	0.12%	0.15%
2-year	0.32%	+0.00%	0.34%	0.29%	0.25%
5-year	1.54%	+0.01%	1.54%	1.31%	0.83%
10-year	2.74%	+0.01%	2.72%	2.71%	1.96%
30-year	3.70%	+0.01%	3.63%	3.80%	3.15%



	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%



Foreign Exchange

(USDCAD implies 1-USD to CAD)

Spot	24-Feb	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
USDCAD	\$1.106	-0.005	1.110	1.045	1.026
EURUSD	\$1.374	-0.001	1.370	1.344	1.306
USDJPY	¥102.51	+0.000	103.26	100.03	91.82
GBPUSD	\$1.666	+0.004	1.664	1.611	1.516
AUDUSD	\$.904	+0.006	0.877	0.933	1.026

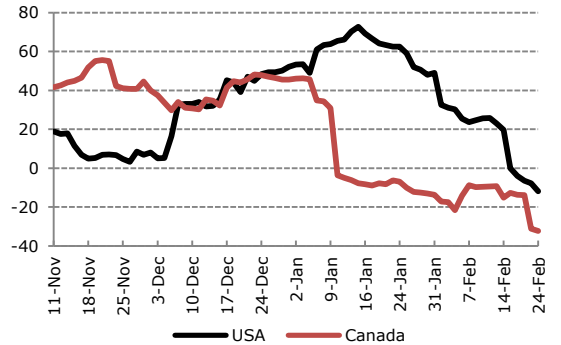
Spot	24-Feb	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
CADJPY	¥92.67	+0.414	93.01	95.71	89.47
CADAUD	\$1.001	-0.002	1.027	1.025	0.950
GBP CAD	£1.842	-0.004	1.847	1.684	1.556
EURJPY	¥140.79	-0.110	141.44	134.43	119.93
EURAUD	\$1.52	-0.011	1.56	1.44	1.27

Economic Releases

United States

		Period	Survey	Actual	Prior
Tue, Feb 25	Consumer Confidence	28-Feb	80	--	80.7
Wed, Feb 26	New Home Sales	31-Jan	400K	--	414K
Thu, Feb 27	Durable Goods Orders	31-Jan	-1.6%	--	-4.3%
Thu, Feb 27	Continuing Claims	15-Feb	2995K	--	2981K
Thu, Feb 27	Intial Jobless Claims	22-Feb	335K	--	336K
Fri, Feb 28	GDP QoQ (Annualized)	31-Mar	2.5%	--	0%

Citigroup Economic Surprise Index



Canada

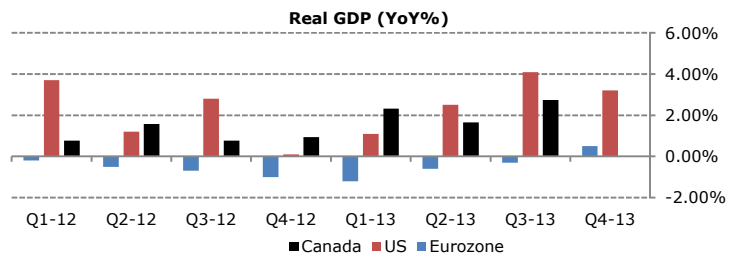
		Period	Survey	Actual	Prior
Fri, Feb 28	GDP MoM	31-Dec	-0.3%	--	0.2%

Economics

Canada	Q1-13	Q2-13	Q3-13	Q4-13	2013E
Real GDP	2.32%	1.65%	2.74%	NA	1.80%
CPI	0.90%	0.77%	1.17%	0.93%	0.90%
Unemployment	7.30%	7.10%	6.90%	7.20%	7.05%

US	Q1-13	Q2-13	Q3-13	Q4-13	2013E
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	Q1-13	Q2-13	Q3-13	Q4-13	2013E
Real GDP	7.70%	7.50%	7.80%	7.70%	7.70%



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