

Today's Commentary

Stocks were sluggish Tuesday with the S&P and TSX down -0.13% and -0.27% respectively. US and Canadian 10 year yields are also lower at 2.71% (-2bps) and 2.48% (-4bps) respectively. These changes come as housing data in the US was mixed, though largely in line with expectations. Data will again be light this morning with only US New Home Sales to be released.

New home sales in the US, a leading indicator of economic health, are expected to have declined to 405K in January, down by 2.2% from December's reading of 414K. This comes after The Conference Board's confidence index decreased to 78.1 in February from a revised 79.4 in January that was weaker than initially estimated. January saw declines in both housing starts and building permits issued for new single-family homes, which recent surveys from the National Association of Homebuilders' Housing Market Index suggested was due to the impact of poor weather conditions on residential construction activity. The Northeast, which was hit by extreme cold temperatures, saw a fall in the housing sector of 36.4%. However, this fall is not consistent with the strong demand reflected in the declining inventory for new and existing homes, indicating this may only a temporary setback.

Elon Musk added \$1.1 billion to his fortune yesterday as electric-car maker Tesla and solar power company SolarCity Corp closed at records on investor optimism over his plans to build one of the biggest battery factories on Earth. Musk, who leads Tesla and is both its and SolarCity's biggest shareholder, has a net worth of \$11.7 billion, according to the Bloomberg Billionaires Index, up 10 percent since yesterday and \$3.8 billion year-to-date. The market capitalization for Tesla, which delivered about 22,400 electric Model S sedans in 2013, swelled to \$30.4 billion -- more than half that of General Motors Co. or Ford Motor Co. Musk last week outlined plans for a "gigafactory" capable of supplying Tesla with lithium-ion batteries at lower cost and greater quantity than any current facility. Tesla is also targeting a 56 percent boost in production of its flagship Model S sedan this year, which begins selling in China next month. Separately, Consumer Reports magazine yesterday named Model S, priced from \$71,000, as the year's best car. The company advanced 14 percent to \$248 at the close yesterday in New York and has risen 65 percent this year. SolarCity rose 3.4 percent to a record \$81.18 and is up 43 percent this year.

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.

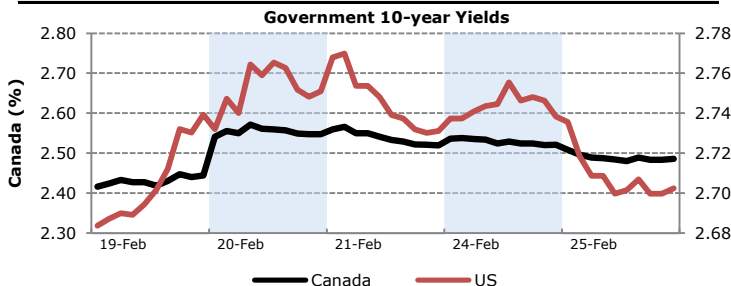
Today's Major Economic Releases

United States	Period	Survey	Actual	Prior
New Home Sales	31-Jan	400K	--	414K
Durable Goods Orders	31-Jan	-1.6%	--	-4.3%
Continuing Claims	15-Feb	2985K	--	2981K

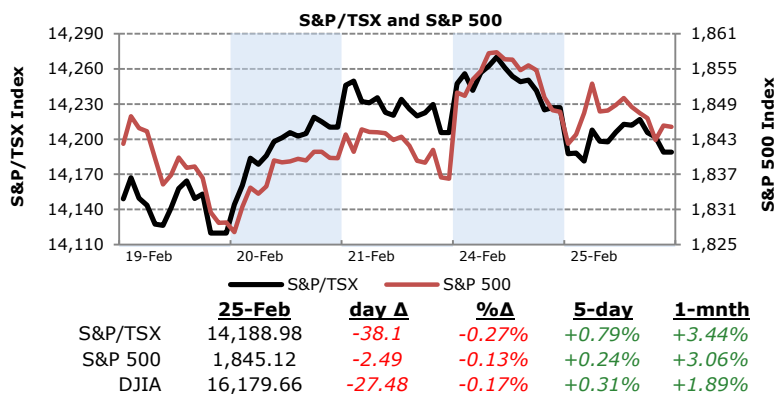
Canada

None Scheduled

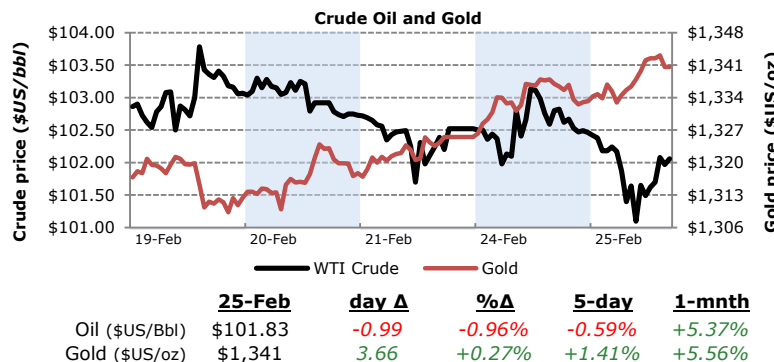
Interest Rates



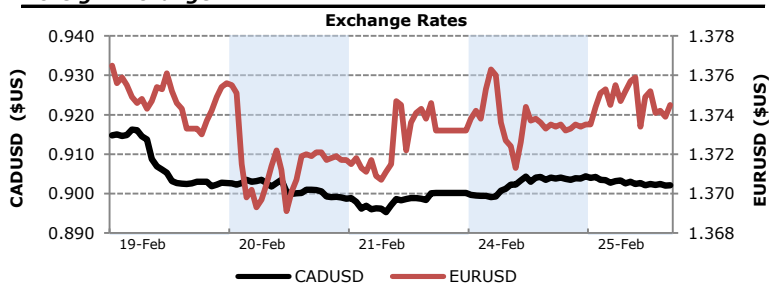
Equities



Commodities



Foreign Exchange



(USDCAD implies \$1-USD to CAD)

	Spot	25-Feb	day Δ	Historical levels		
				-5 days	-1 mnth	-1 year
USDCAD	\$1.109	\$1.109	+0.002	1.095	1.109	1.026
EURUSD	\$1.375	\$1.375	+0.001	1.376	1.368	1.306
USDJPY	¥102.24	¥102.24	-0.270	102.360	102.31	91.98

Government 10-year Yields

	25-Feb	day Δ	Historical levels		
			-1 mnth	-3 mnths	-1 year
Canada	2.49%	-0.035%	2.40%	2.55%	1.87%
United States	2.70%	-0.036%	2.72%	2.74%	1.86%

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.

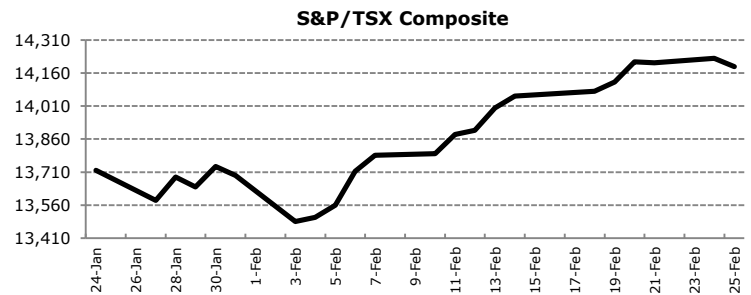
<http://www.rotman.utoronto.ca/financeassociation>

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	<u>25-Feb</u>	<u>day Δ</u>	<u>%Δ</u>
S&P/TSX	14,188.98	-38.1	-0.27%
Trailing S&P/TSX TSX 60			
5-day	+0.79%	+0.91%	
1-month	+3.44%	+3.31%	
3-months	+5.32%	+4.75%	
6-months	+11.18%	+11.09%	
12-months	+12.16%	+12.01%	



TSX Sector Returns

	<u>1-day</u>	<u>5-day</u>	<u>1-mnth</u>	<u>12-mnth</u>
C. Discretionary	-0.33%	+0.20%	-0.97%	+32.14%
C. Staples	-0.50%	+2.10%	+3.89%	+24.75%
Energy	-0.52%	+1.33%	+3.93%	+12.67%
Financials	-0.03%	+0.69%	+1.60%	+16.09%
Healthcare	+1.28%	+0.32%	+7.20%	+46.92%
Info Tech	+0.21%	+1.33%	+1.84%	+34.50%
Industrials	-0.66%	+1.30%	+4.04%	+23.08%
Materials	-0.79%	+0.48%	+7.77%	-10.80%
Metals & Mining	-0.88%	-2.17%	-0.30%	-8.81%
Telecom	-0.50%	+1.03%	+0.12%	+0.61%
Utilities	+0.08%	-1.42%	+2.56%	-6.58%

TSX Top Performers

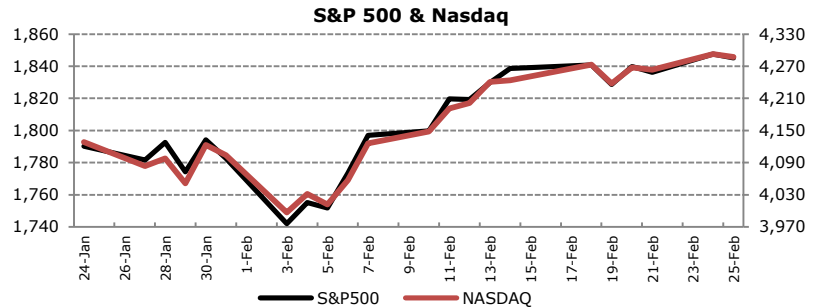
	<u>Ranked by 1-day</u>	<u>1-day</u>	<u>5-day</u>	<u>1-mnth</u>	<u>12-mnth</u>
Cameco Corp		+8.22%	+7.17%	+4.91%	+16.96%
Blackberry Ltd		+7.91%	+13.11%	+7.22%	-12.98%
Dream Unlimited-CI A Sub		+5.14%	-0.07%	-12.95%	NA
Extendicare Inc		+2.92%	-0.13%	+6.32%	+2.20%
Dorel Industries-CI B		+2.59%	+2.21%	-3.35%	+10.07%

TSX Worst Performers

	<u>Ranked by 1-day</u>	<u>1-day</u>	<u>5-day</u>	<u>1-mnth</u>	<u>12-mnth</u>
Blackpearl Resources Inc		-6.57%	+4.92%	+5.79%	-6.91%
Argonaut Gold Inc		-5.26%	-0.49%	+24.09%	-22.89%
Canfor Corp		-3.51%	-5.03%	+0.39%	+56.15%
Peyto Exploration & Dev C		-3.25%	-0.03%	+5.30%	+48.74%
Constellation Software In		-3.10%	-7.43%	+1.66%	+96.38%

US Indices

	<u>S&P 500</u>	<u>DJIA</u>	<u>Nasdaq</u>
Trailing			
25-Feb	1,845.12	16,179.66	4,287.59
1-day	-0.13%	-0.17%	-0.13%
5-day	+0.24%	+0.31%	+0.35%
1-month	+3.06%	+1.89%	+3.86%
3-months	+2.37%	+0.67%	+7.34%
6-months	+10.92%	+7.79%	+17.22%
12-months	+24.01%	+17.38%	+37.59%



S&P 500 Sector Returns

	<u>1-day</u>	<u>5-day</u>	<u>1-mnth</u>	<u>12-mnth</u>
C. Discretionary	+0.52%	+0.90%	+3.70%	+33.40%
C. Staples	+0.39%	+0.74%	+0.78%	+10.31%
Energy	-0.01%	+1.61%	+3.17%	+14.33%
Financials	-0.62%	-0.81%	+1.69%	+24.57%
Healthcare	-0.23%	+0.57%	+5.99%	+37.75%
Info Tech	-0.33%	-0.38%	+2.67%	+26.84%
Industrials	-0.44%	+0.24%	+3.01%	+28.01%
Materials	+0.38%	+0.05%	+5.21%	+23.71%
Telecom	-0.24%	-0.50%	-2.07%	-2.94%
Utilities	-0.08%	+0.01%	+5.88%	+9.88%

DJIA Top Performers

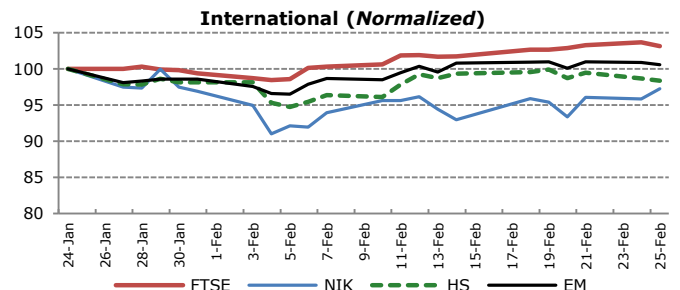
	<u>Ranked by 1-day</u>	<u>1-day</u>	<u>5-day</u>	<u>1-mnth</u>	<u>12-mnth</u>
Home Depot Inc		+3.99%	+4.40%	+2.30%	+29.32%
Coca-Cola Co/The		+0.72%	+0.80%	-2.75%	+3.01%
Chevron Corp		+0.72%	+2.01%	-0.26%	+4.71%

DJIA Worst Performers

	<u>Ranked by 1-day</u>	<u>1-day</u>	<u>5-day</u>	<u>1-mnth</u>	<u>12-mnth</u>
Boeing Co/The		-2.17%	-2.95%	-6.70%	+72.20%
Goldman Sachs Group Inc		-1.84%	-0.71%	-2.48%	+12.18%
Jpmorgan Chase & Co		-1.72%	-2.50%	+3.52%	+22.88%

International Markets

	<u>FTSE 100</u>	<u>Nikkei</u>	<u>Hang Seng</u>	<u>MSCI EM</u>
Trailing				
Last Close	6,830.50	15,051.60	22,317.20	955.54
1-day	-0.52%	+1.44%	-0.32%	-0.30%
5-day	+0.50%	+1.40%	-1.20%	-0.35%
1-month	+2.50%	-2.21%	-0.59%	+0.59%
3-months	+2.03%	-3.63%	-5.77%	-5.45%
6-months	+5.21%	+10.18%	+2.08%	+2.44%
12-months	+7.48%	+29.06%	-2.20%	-9.38%



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Nymex WTI Crude Oil

(\$US/Bbl)	25-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$101.83	-\$0.99	-0.96%	-0.59%	+5.37%
Cal 14	\$98.25	-\$0.89	-0.90%	-0.23%	+8.26%
Cal 15	\$89.65	-\$0.73	-0.81%	-0.57%	+5.79%

(\$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	\$98.29	\$95.40	\$92.67	\$90.38	\$89.65

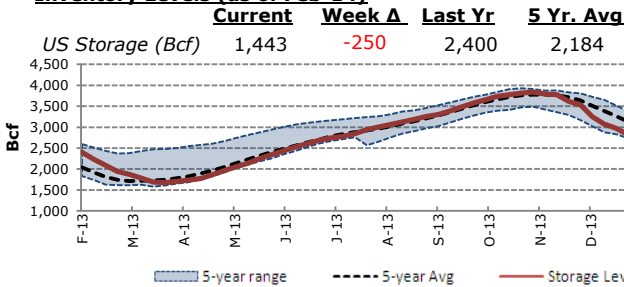
Inventory Levels (as of Feb-14)

(MBbls)	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

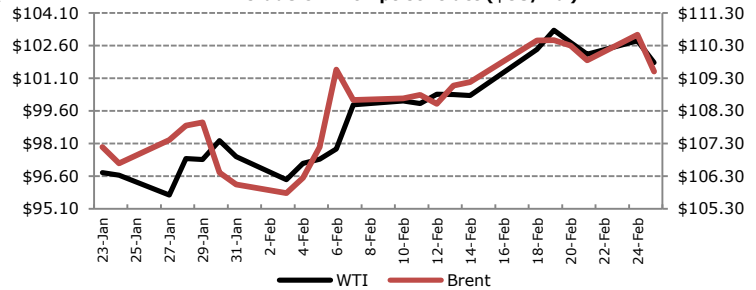
Nymex Natural Gas

(\$US/MMbtu)	25-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$5.10	-\$0.35	-6.41%	-8.20%	-1.66%
Apr14-Oct14	\$4.60	+\$0.05	+1.03%	-1.79%	+17.07%
Nov14-Mar15	\$4.74	+\$0.05	+0.97%	-1.58%	+14.71%
Apr15-Oct15	\$3.99	+\$0.04	+0.90%	-1.27%	+2.14%
Nov15-Mar16	\$4.29	+\$0.03	+0.82%	-0.29%	+4.48%

Inventory Levels (as of Feb-14)



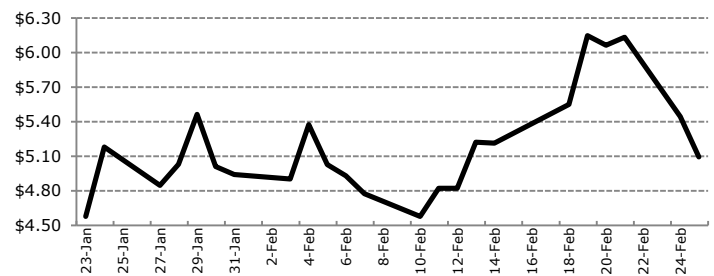
Crude Oil Prompt Contract (\$US/Bbl)



UK Brent Crude Oil

(\$US/Bbl)	25-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$109.51	-\$1.13	-1.03%	-0.86%	+2.64%

Nat Gas Prompt (\$US/MMbtu)



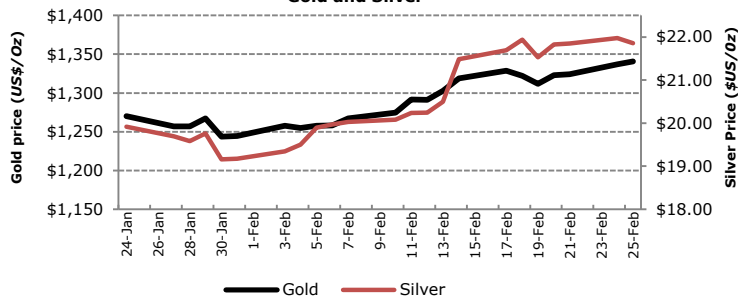
Alberta Natural Gas

(\$CAD/GJ)	25-Feb	day Δ	%Δ
AECO Mar-14	\$4.83	-\$0.26	-5.1%

Precious Metals

\$US/oz	25-Feb	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,340.64	+\$3.66	+0.3%	+1.4%	+5.6%	+9.9%
Silver	\$21.86	-\$0.12	-0.5%	-0.4%	+9.8%	+14.1%
Platinum	\$1,438	-\$0.38	-0.0%	+1.0%	+0.5%	+7.1%

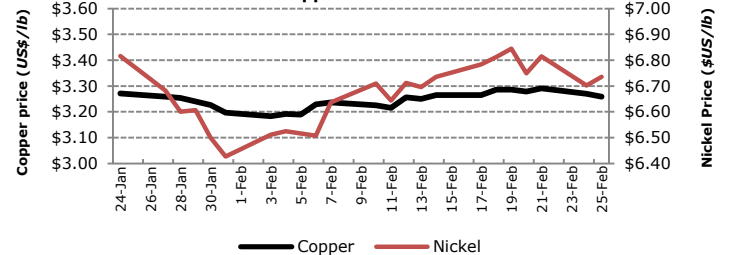
Gold and Silver



Industrial Metals

\$US/lb	25-Feb	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.26	-\$0.01	-0.4%	-0.8%	-0.4%	+1.3%
Nickel	\$6.74	+\$0.03	+0.5%	-1.1%	-1.2%	+7.1%
Zinc	\$1.03	+\$0.01	+0.7%	-0.5%	+2.1%	+10.2%
Aluminum	\$0.78	+\$0.01	+1.3%	+1.3%	0.0%	+1.3%
Uranium	\$35.50	+\$0.05	+0.1%	-0.6%	-0.7%	-1.4%

Copper and Nickel



Agriculture & Other

	25-Feb	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$4.61	+\$0.04	+0.8%	+1.3%	+5.3%
Wheat (\$US/bu)	\$6.18	+\$0.01	+0.2%	+1.7%	+8.5%
Soybeans (\$US/bu)	\$13.87	+\$0.12	+0.9%	+2.9%	+9.1%
Rough Rice (\$US/cwt)	\$15.76	-\$0.05	-0.3%	+0.9%	+1.6%
Sugar #11 (¢US/lb)	¢17.68	¢0.00	+0.0%	+7.2%	+17.6%
Lean Hogs (¢US/lb)	¢100.58	¢1.33	+1.3%	+3.3%	+6.7%
Live Cattle (¢US/lb)	¢142.40	¢1.18	+0.8%	+0.2%	+1.3%
Cotton No.2 (\$US/lb)	\$0.87	-\$0.02	-2.2%	-2.4%	+3.1%
Lumber (\$US/Mbft)	\$360.20	-\$4.00	-1.1%	+0.3%	+0.4%

Commodity ETFs

\$CAD	25-Feb	day Δ	%Δ	5-day	1-mnth
HBP Crude Oil U	\$4.98	-\$0.05	-1.0%	-0.4%	+11.7%
HBP Nat Gas U	\$17.04	-\$0.41	-2.3%	-3.8%	-2.0%
iShares Gold ETF	\$11.93	+\$0.06	+0.5%	+1.7%	+5.9%

\$USD	25-Feb	day Δ	%Δ	5-day	1-mnth
US Crude Oil	\$36.59	-\$0.20	-0.5%	-0.19%	+5.4%
US Nat Gas	\$25.80	-\$0.32	-1.2%	-1.53%	+13.1%
PSDB Agriculture	\$27.08	+\$0.11	+0.4%	3.64%	+11.6%
PSDB Base Metals	\$16.34	+\$0.01	+0.1%	-0.79%	-0.5%

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Interest Rates

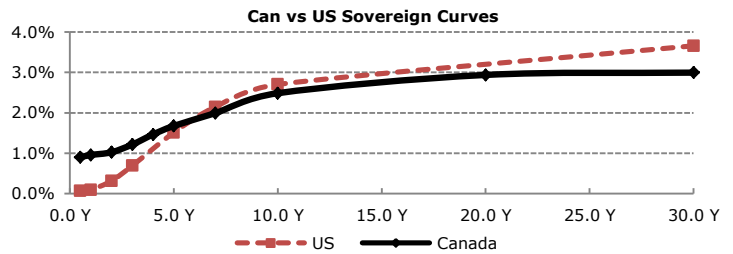
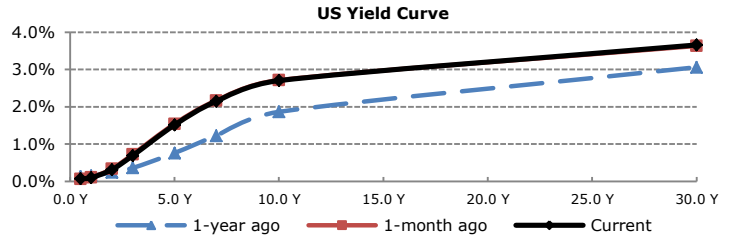
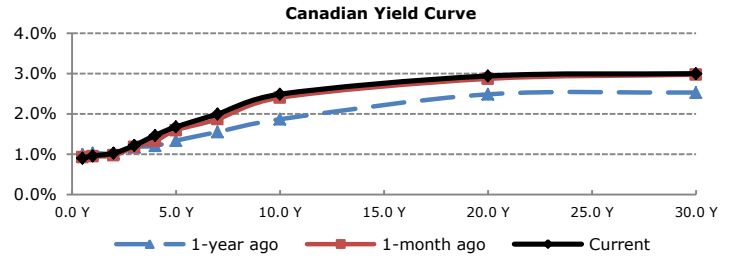
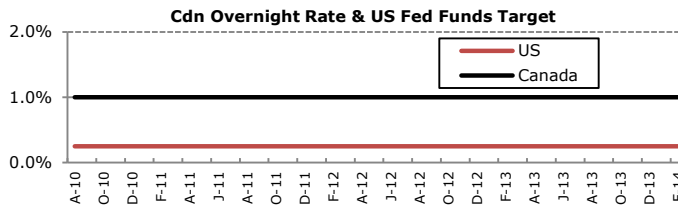
Canadian yield curve

	25-Feb	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.87%	-	0.90%	0.94%	0.96%
6-mnth	0.90%	-	0.92%	0.96%	0.99%
12-mnth	0.96%	-0.00%	0.94%	1.00%	1.03%
2-year	1.02%	-0.00%	0.97%	1.10%	1.01%
5-year	1.68%	-0.02%	1.59%	1.73%	1.34%
10-year	2.49%	-0.04%	2.40%	2.55%	1.87%
20-year	2.94%	-0.02%	2.87%	3.04%	2.48%
30-year	3.00%	-0.03%	2.97%	3.15%	2.53%

US yield curve

	25-Feb	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.04%	+0.01%	0.05%	0.06%	0.12%
6-mnth	0.07%	-0.01%	0.06%	0.10%	0.13%
12-mnth	0.10%	-	0.10%	0.11%	0.15%
2-year	0.31%	-0.00%	0.34%	0.29%	0.24%
5-year	1.51%	-0.03%	1.54%	1.36%	0.76%
10-year	2.70%	-0.04%	2.72%	2.74%	1.86%
30-year	3.66%	-0.04%	3.63%	3.82%	3.06%

	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	25-Feb	day Δ	<i>Historical Levels</i>		
				-1 mnth	-3 mnths	-1 year
USDCAD	\$1.109	+0.002		1.109	1.052	1.026
EURUSD	\$1.375	+0.001		1.368	1.348	1.306
USDJPY	¥102.24	-0.270		102.31	101.16	91.98
GBPUSD	\$1.668	+0.002		1.648	1.620	1.513
AUDUSD	\$0.902	-0.002		0.868	0.923	1.023

	Spot	25-Feb	day Δ	<i>Historical Levels</i>		
				-1 mnth	-3 mnths	-1 year
CADJPY	¥92.23	-0.443		92.28	96.17	89.63
CADAUD	\$1.000	-0.000		1.039	1.030	0.953
GBPCAD	£1.849	+0.007		1.828	1.704	1.552
EURJPY	¥140.52	-0.270		139.98	136.37	120.14
EURAUD	\$1.52	+0.004		1.58	1.46	1.28

Economic Releases

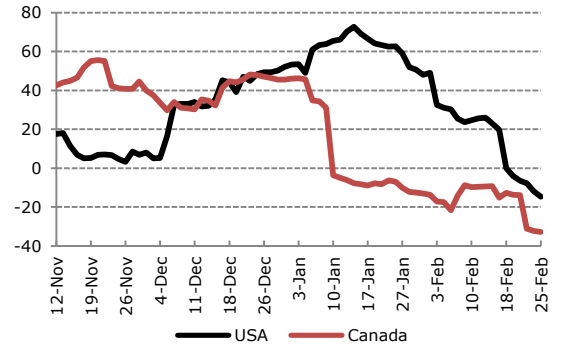
United States

		Period	Survey	Actual	Prior
Tue, Feb 25	Consumer Confidence	28-Feb	80	78.1	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	2985K	--	2981K
Thu, Feb 27	Initial Jobless Claims	22-Feb	335K	--	336K
Fri, Feb 28	GDP QoQ (Annualized)	31-Mar	2.5%	--	0%

Canada

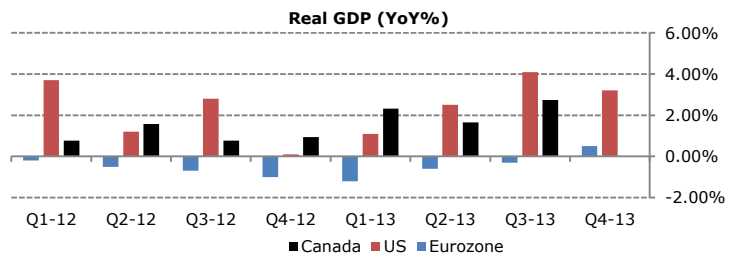
		Period	Survey	Actual	Prior
Fri, Feb 28	GDP MoM	31-Dec	-0.3%	--	0.2%

Citigroup Economic Surprise Index



Economics

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