

Today's Commentary

The S&P 500 ended at a record high yesterday (+0.49% to 1,854.29) as Yellen's testimony to the Senate Banking Committee blamed recent economic softness on weather-related issues. US 10-year yields however remained steady and are now at 2.63% (-1bp) and Canada followed suit with 10-year levels now at 2.41% (-1bp) and the TSX up +0.18%. This morning we will see the first and only top-tier data released this week with GDP numbers from both countries. In the US expectations are for +2.5% growth q/q annualized, while in Canada it is expected that GDP fell -0.3% m/m.

The Bank of Canada's next interest-rate move is still expected to be a hike, but forecasters have pushed back their target for a tightening to the third quarter of 2015, a Reuters poll found on Thursday. None of the 30 economists in the poll expected an interest rate move at the central bank's meeting on March 5. The median forecast in the poll showed the Bank of Canada is expected to hike its main policy rate by 25 basis points to 1.25 percent at some point between July and September next year, three months later than predicted in a January poll. Canada's annual inflation rate rose to 1.5 percent in January from 1.2 percent in December and was the highest reading since June 2012. Many analysts think the Bank of Canada may be reluctant to cut rates due to the risk it could encourage heavily indebted households to borrow even more. In terms of the growth outlook, Poloz said on Saturday more data was needed before concluding if December's economic stumble was weather-related or if it reflected an underlying trend. Retail sales, jobs, manufacturing, and trade data all showed weakness during the month.

Japan's industrial output rose by 4% in January, the most since 2011 and above median expectations of 2.8%. In addition, average household spending in Japan climbed 1.1% YoY in January and retail sales rose 4.4%, both sharply higher than expectation. Economic growth in Japan is expected to surge this quarter as consumers and businesses splurge ahead of the April tax increase. While the unemployment rate held steady at 3.7% in January as forecasted, demand for workers is picking up, showing further signs of labour improvement, which could start to support wages and help households deal with the higher sales tax and inflation. The test for Abenomics and the Bank of Japan will be steering the nation through the aftermath, with the economy set to contract for a quarter. The economy is expected to contract an annualized 3.9% in the April to June period, slumping after a projected fifth straight quarter of growth, according to a Bloomberg survey.

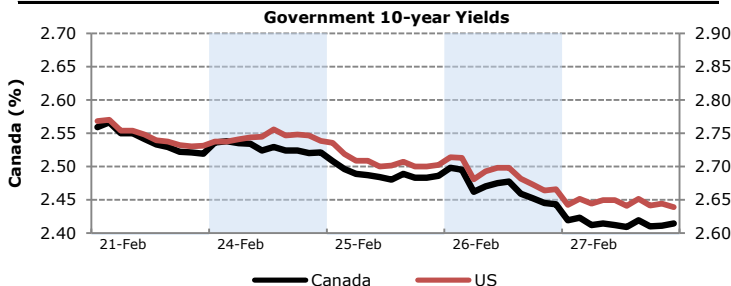
The Daily Roll is written by MFE Candidates Luke Ostapiak, Wendy Ren and Tony Wu in partnership with the Rotman Finance Association. Please email dailyroll@economics.utoronto.ca to subscribe/unsubscribe.

Today's Major Economic Releases

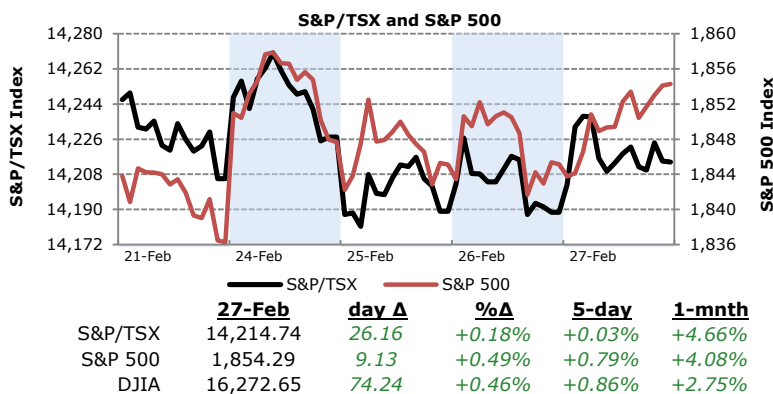
United States	Period	Survey	Actual	Prior
GDP QoQ (Annualized)	31-Mar	2.5%	--	0%

Canada	Period	Survey	Actual	Prior
GDP MoM	31-Dec	-0.3%	--	0.2%

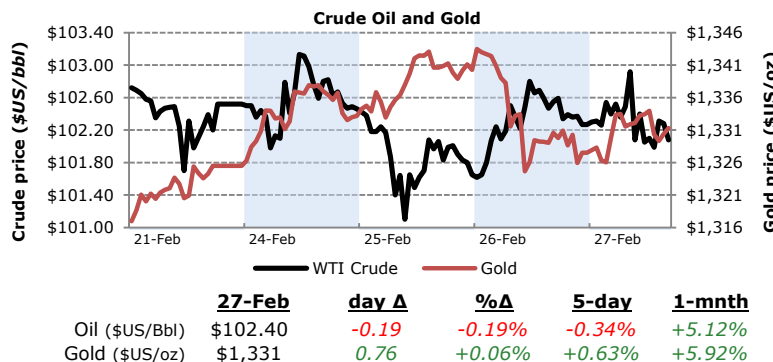
Interest Rates



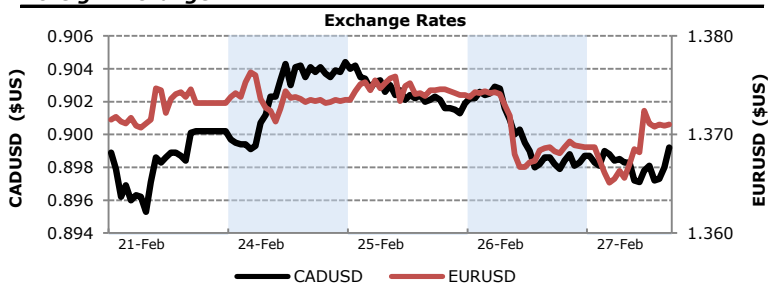
Equities



Commodities



Foreign Exchange



(USDCAD implies \$1-USD to CAD)

	Spot	27-Feb	day Δ	Historical levels		
				-5 days	-1 mnth	-1 year
USDCAD	\$1.112	\$1.112	-0.001	1.110	1.115	1.031
EURUSD	\$1.371	\$1.371	+0.002	1.372	1.367	1.306
USDJPY	¥102.13	¥102.13	-0.250	102.280	102.94	92.56

Government 10-year Yields

	27-Feb	day Δ	Historical levels		
			-1 mnth	-3 mnths	-1 year
Canada	2.41%	-0.029%	2.42%	2.56%	1.87%
United States	2.64%	-0.027%	2.75%	2.74%	1.90%

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>

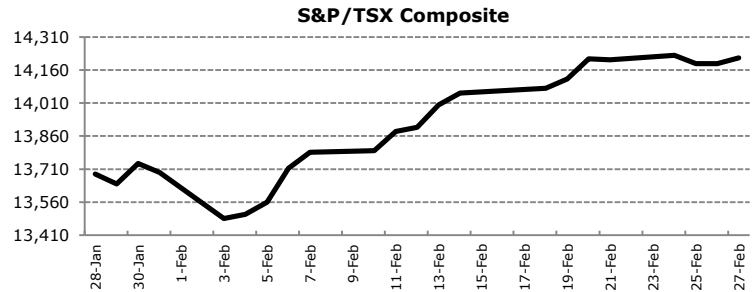
Sponsored By:



The information contained in this report is intended for educational and informative purposes only, and has been obtained from Bloomberg and other publicly-available sources, without independent verification of the accuracy thereof. The author, the MFE Program, and the Rotman Finance Association, jointly and severally expressly disclaim any responsibility for the completeness and/or accuracy of the information contained herein. The opinions expressed herein are based upon the analyses and interpretations of author(s), and are not necessarily reflective of the views or opinions of the MFE Program, Rotman Finance Association, or the University of Toronto. Nothing in this report should be construed as a solicitation, recommendation, or offer to buy or sell the securities mentioned herein. **Unauthorized use or reproduction is strictly prohibited.**

	<u>27-Feb</u>	<u>day Δ</u>	<u>%Δ</u>
S&P/TSX	14,214.74	26.16	+0.18%

	<u>Trailing S&P/TSX</u>	<u>TSX 60</u>
5-day	+0.03%	+0.03%
1-month	+4.66%	+4.49%
3-months	+6.38%	+5.89%
6-months	+12.89%	+12.83%
12-months	+11.64%	+11.20%



TSX Sector Returns

	<u>1-day</u>	<u>5-day</u>	<u>1-mnth</u>	<u>12-mnths</u>
C. Discretionary	+0.15%	+0.78%	+0.49%	+32.64%
C. Staples	+0.25%	+0.89%	+4.97%	+24.70%
Energy	-0.35%	-0.23%	+4.66%	+11.44%
Financials	+0.52%	-0.02%	+3.50%	+15.64%
Healthcare	-4.14%	-3.93%	+3.25%	+41.97%
Info Tech	+0.79%	+2.05%	+5.69%	+37.66%
Industrials	+0.16%	+0.90%	+5.08%	+22.17%
Materials	+0.16%	-1.24%	+9.24%	-11.22%
Metals & Mining	+0.39%	-0.32%	+1.32%	-8.96%
Telecom	+0.44%	+1.09%	+0.30%	-0.10%
Utilities	-0.24%	-1.23%	+2.75%	-7.21%

TSX Top Performers

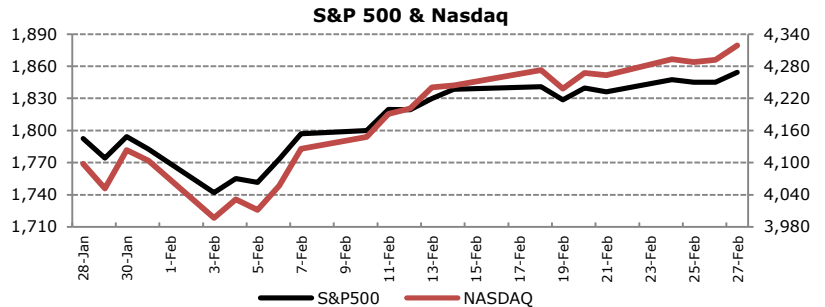
	<u>Ranked by 1-day</u>	<u>1-day</u>	<u>5-day</u>	<u>1-mnth</u>	<u>12-mnths</u>
Canexus Corp		+4.76%	+6.94%	+6.21%	-28.13%
Shawcor Ltd		+4.16%	+4.86%	+15.86%	+19.78%
Innergex Renewable Energy		+3.32%	-2.45%	+0.20%	+1.14%
Methanex Corp		+3.31%	+7.81%	+25.16%	+109.71%
Hudson'S Bay Co		+3.16%	+2.85%	+0.36%	+13.74%

TSX Worst Performers

	<u>Ranked by 1-day</u>	<u>1-day</u>	<u>5-day</u>	<u>1-mnth</u>	<u>12-mnths</u>
Catamaran Corp		-11.06%	-10.73%	-6.90%	-9.72%
Atlantic Power Corp		-4.78%	-4.03%	-17.17%	-70.85%
Just Energy Group Inc		-4.73%	-4.73%	+11.32%	+23.50%
Silvercorp Metals Inc		-4.07%	-9.87%	+0.00%	-23.62%
Torex Gold Resources Inc		-4.07%	-4.07%	+5.36%	-32.95%

US Indices

	<u>S&P 500</u>	<u>DJIA</u>	<u>Nasdaq</u>
Trailing 27-Feb	1,854.29	16,272.65	4,318.93
1-day	+0.49%	+0.46%	+0.63%
5-day	+0.79%	+0.86%	+1.20%
1-month	+4.08%	+2.75%	+5.76%
3-months	+2.60%	+1.09%	+6.78%
6-months	+13.73%	+10.13%	+20.69%
12-months	+22.32%	+15.61%	+36.58%



S&P 500 Sector Returns

	<u>1-day</u>	<u>5-day</u>	<u>1-mnth</u>	<u>12-mnths</u>
C. Discretionary	+0.37%	+2.22%	+5.11%	+31.40%
C. Staples	+0.47%	+0.82%	+1.34%	+9.56%
Energy	-0.01%	+0.17%	+2.87%	+10.88%
Financials	+0.55%	+0.67%	+2.76%	+22.51%
Healthcare	+0.52%	+0.76%	+7.37%	+36.49%
Info Tech	+0.69%	+0.66%	+4.56%	+25.96%
Industrials	+0.58%	+0.98%	+3.43%	+25.71%
Materials	+0.68%	+1.18%	+7.10%	+22.07%
Telecom	+1.65%	-1.60%	-0.88%	-3.24%
Utilities	-0.27%	-0.99%	+4.86%	+7.68%

DJIA Top Performers

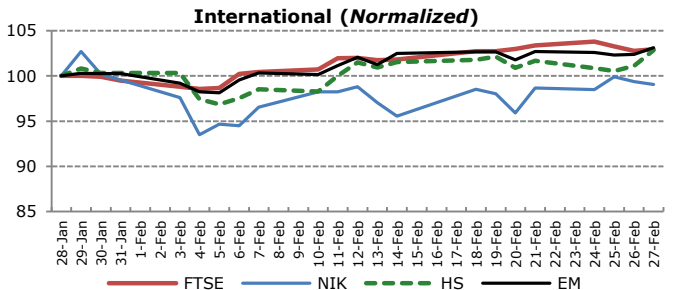
	<u>Ranked by 1-day</u>	<u>1-day</u>	<u>5-day</u>	<u>1-mnth</u>	<u>12-mnths</u>
Verizon Communications In		+2.48%	-1.29%	-0.40%	+6.94%
Goldman Sachs Group Inc		+1.58%	+0.87%	+0.76%	+10.49%
Boeing Co/The		+1.54%	-0.77%	-5.88%	+69.36%

DJIA Worst Performers

	<u>Ranked by 1-day</u>	<u>1-day</u>	<u>5-day</u>	<u>1-mnth</u>	<u>12-mnths</u>
Caterpillar Inc		-0.51%	-0.23%	+5.93%	+7.68%
Wal-Mart Stores Inc		-0.29%	+1.41%	+0.55%	+6.60%
Nike Inc -CI B		-0.20%	+3.55%	+8.84%	+46.00%

International Markets

	<u>FTSE 100</u>	<u>Nikkei</u>	<u>Hang Seng</u>	<u>MSCI EM</u>
Trailing Last Close	6,810.27	14,923.11	22,828.18	963.23
1-day	+0.16%	-0.32%	+1.74%	+0.73%
5-day	-0.04%	+3.28%	+1.94%	+1.33%
1-month	+3.96%	-0.55%	+3.88%	+3.39%
3-months	+2.42%	-3.41%	-4.11%	-4.52%
6-months	+5.73%	+10.20%	+4.36%	+5.22%
12-months	+7.66%	+32.60%	+1.11%	-7.96%



This market summary has been created by candidates in the University of Toronto's Master of Financial Economics Program (the "MFE Program"). The information contained herein is intended for educational and informative purposes only, and has been obtained from Bloomberg and other publicly-available sources, without independent verification of the accuracy thereof. The author, the MFE Program, and the Rotman Finance Association, jointly and severally expressly disclaim any responsibility for the completeness and/or accuracy of the information contained herein. The opinions expressed herein are based upon the analyses and interpretations of the Author, and are not necessarily reflective of the views or opinions of the MFE Program, Rotman Finance Association, or the University of Toronto. Nothing in this report should be construed as a solicitation, recommendation, or offer to buy or sell the securities mentioned herein. **Unauthorized use or reproduction is strictly prohibited.**

Nymex WTI Crude Oil

(\$US/Bbl)	27-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$102.40	-\$0.19	-0.19%	-0.34%	+5.12%
Cal 14	\$98.61	-\$0.13	-0.13%	-0.27%	+9.09%
Cal 15	\$89.89	+\$0.01	+0.02%	-0.27%	+6.31%

(\$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	\$98.58	\$95.70	\$92.96	\$90.61	\$89.89

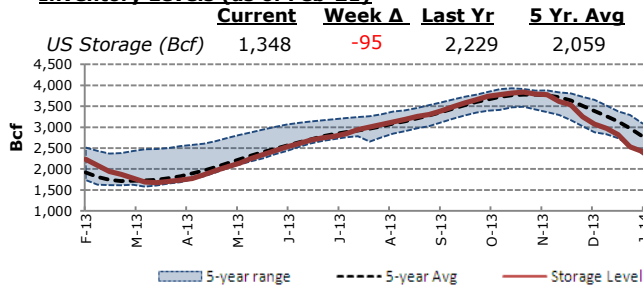
Inventory Levels (as of Feb-21)

(MBbls)	Current	Week Δ	Last Yr	5 Yr. Avg
Crude Oil	362,393	+68	337,426	319,411
Motor Gas	230,600	-2,807	214,389	200,481
Distillates	113,062	+338	171,756	140,851

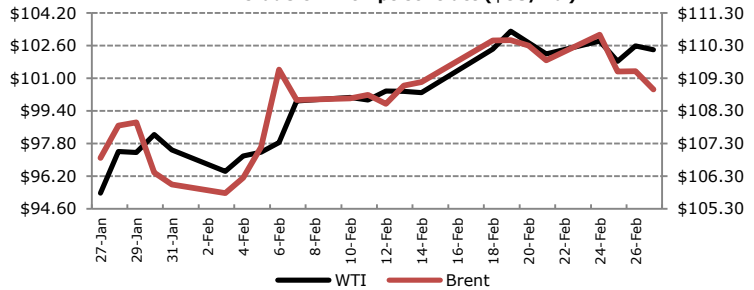
Nymex Natural Gas

(\$US/MMbtu)	27-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$4.51	-\$0.03	-0.66%	-25.61%	-10.37%
Apr14-Oct14	\$4.50	+\$0.00	+0.10%	-4.14%	+9.16%
Nov14-Mar15	\$4.65	+\$0.00	+0.08%	-3.12%	+8.27%
Apr15-Oct15	\$4.00	+\$0.01	+0.27%	+0.32%	-0.20%
Nov15-Mar16	\$4.28	-\$0.01	-0.23%	+0.36%	+1.88%

Inventory Levels (as of Feb-21)



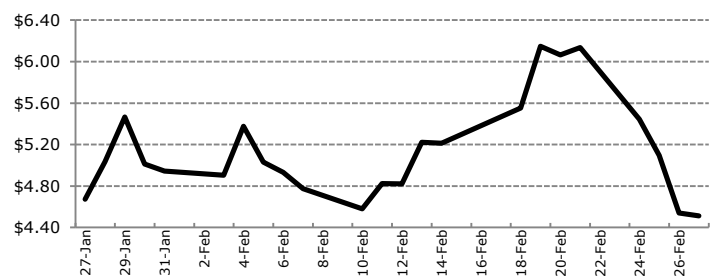
Crude Oil Prompt Contract (\$US/Bbl)



UK Brent Crude Oil

(\$US/Bbl)	27-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$108.96	-\$0.56	-0.51%	-1.21%	+1.03%

Nat Gas Prompt (\$US/MMbtu)



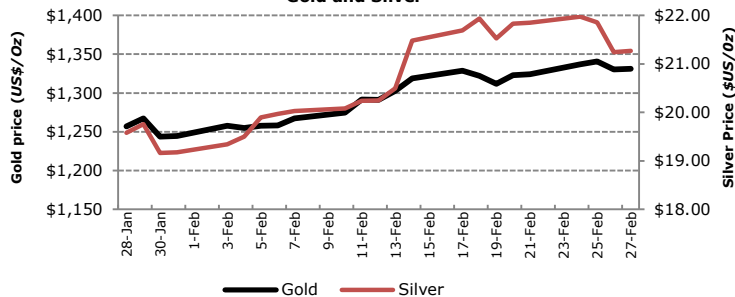
Alberta Natural Gas

(\$CAD/GJ)	27-Feb	day Δ	%Δ
AECO Mar-14	\$4.47	-\$0.97	-17.9%

Precious Metals

\$US/oz	27-Feb	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,331.33	+\$0.76	+0.1%	+0.6%	+5.9%	+7.0%
Silver	\$21.27	+\$0.03	+0.1%	-2.6%	+8.6%	+8.0%
Platinum	\$1,453	+\$18.00	+1.3%	+2.4%	+3.1%	+6.0%

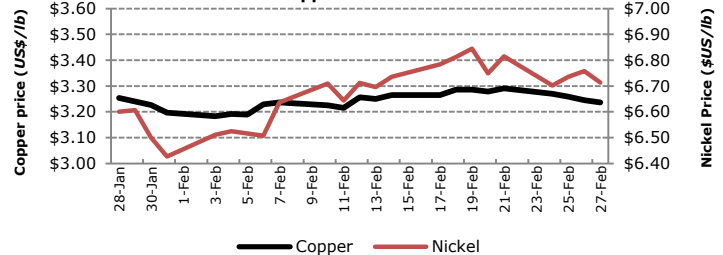
Gold and Silver



Industrial Metals

\$US/lb	27-Feb	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.24	-\$0.01	-0.2%	-1.3%	-0.5%	-1.1%
Nickel	\$6.71	-\$0.05	-0.7%	-0.5%	+1.7%	+5.8%
Zinc	\$1.03	-\$0.00	-0.2%	+1.7%	+3.7%	+10.5%
Aluminum	\$0.78	-\$0.01	-1.3%	0.0%	0.0%	+1.3%
Uranium	\$35.40	-\$0.10	-0.3%	-0.8%	-0.7%	-0.3%

Copper and Nickel



Agriculture & Other

	27-Feb	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$4.55	-\$0.07	-1.4%	-1.7%	+4.7%
Wheat (\$US/bu)	\$5.89	-\$0.16	-2.7%	-4.0%	+6.0%
Soybeans (\$US/bu)	\$13.90	-\$0.07	-0.5%	+3.1%	+10.6%
Rough Rice (\$US/cwt)	\$15.68	+\$0.06	+0.4%	+1.3%	+1.3%
Sugar #11 (¢US/lb)	¢18.07	¢0.40	+2.3%	+8.3%	+20.9%
Lean Hogs (¢US/lb)	¢103.85	¢2.82	+2.8%	+6.2%	+10.7%
Live Cattle (¢US/lb)	¢144.45	¢0.08	-0.1%	+1.8%	+2.8%
Cotton No.2 (\$US/lb)	\$0.88	+\$0.01	+1.7%	+0.2%	+1.8%
Lumber (\$US/Mbft)	\$354.50	+\$0.90	+0.3%	-0.6%	-0.4%

Commodity ETFs

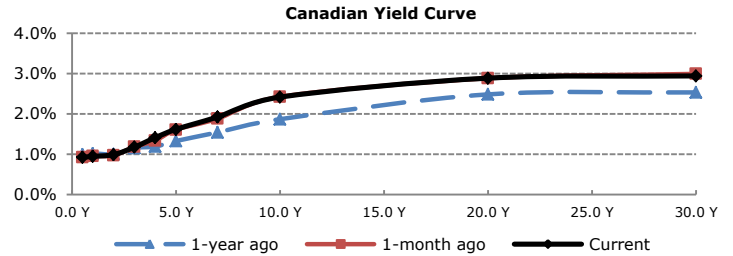
	27-Feb	day Δ	%Δ	5-day	1-mnth
\$CAD					
HBP Crude Oil U	\$5.01	-\$0.02	-0.4%	-1.0%	+11.6%
HBP Nat Gas U	\$15.72	-\$0.38	-2.4%	-15.1%	-5.6%
iShares Gold ETF	\$11.85	+\$0.05	+0.4%	+0.7%	+6.3%
\$USD					
US Crude Oil	\$36.69	-\$0.06	-0.2%	-0.52%	+7.2%
US Nat Gas	\$24.79	-\$0.32	-1.3%	-7.47%	+6.1%
PSDB Agriculture	\$27.15	+\$0.04	+0.1%	1.95%	+11.8%
PSDB Base Metals	\$16.36	+\$0.10	+0.6%	-0.49%	+0.4%

This market summary has been created by candidates in the University of Toronto's Master of Financial Economics Program (the "MFE Program"). The information contained herein is intended for educational and informative purposes only, and has been obtained from Bloomberg and other publicly-available sources, without independent verification of the accuracy thereof. The author, the MFE Program, and the Rotman Finance Association, jointly and severally expressly disclaim any responsibility for the completeness and/or accuracy of the information contained herein. The opinions expressed herein are based upon the analyses and interpretations of the Author, and are not necessarily reflective of the views or opinions of the MFE Program, Rotman Finance Association, or the University of Toronto. Nothing in this report should be construed as a solicitation, recommendation, or offer to buy or sell the securities mentioned herein. **Unauthorized use or reproduction is strictly prohibited.**

Interest Rates

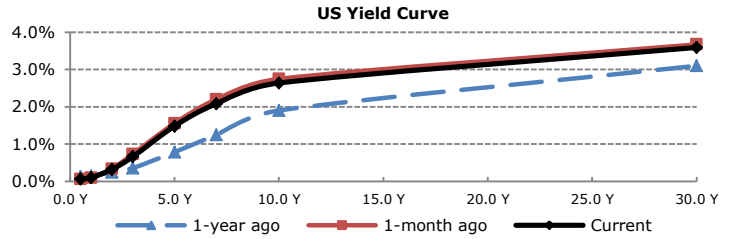
Canadian yield curve

	27-Feb	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.85%	-	0.89%	0.94%	0.96%
6-mnth	0.92%	-	0.92%	0.97%	0.99%
12-mnth	0.94%	-0.02%	0.96%	1.00%	1.02%
2-year	0.99%	-0.02%	0.97%	1.10%	1.00%
5-year	1.61%	-0.02%	1.61%	1.74%	1.33%
10-year	2.41%	-0.03%	2.42%	2.56%	1.87%
20-year	2.88%	-0.02%	2.88%	3.05%	2.48%
30-year	2.94%	-0.03%	2.99%	3.15%	2.53%

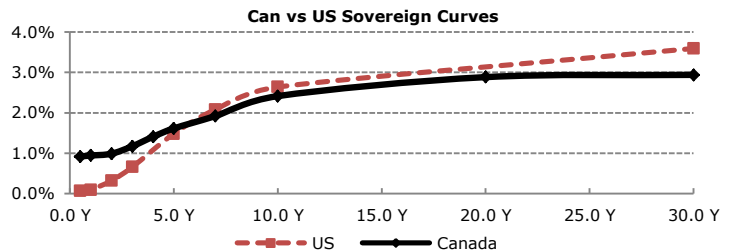
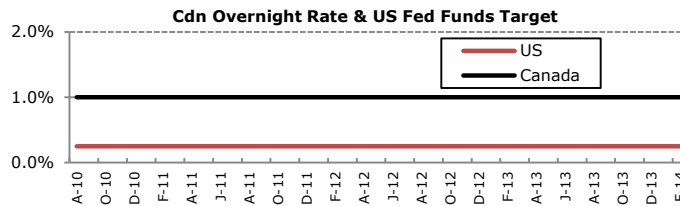


US yield curve

	27-Feb	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.04%	-0.01%	0.05%	0.06%	0.10%
6-mnth	0.07%	-0.01%	0.06%	0.10%	0.13%
12-mnth	0.10%	-	0.10%	0.12%	0.15%
2-year	0.32%	-0.00%	0.34%	0.28%	0.24%
5-year	1.48%	+0.01%	1.56%	1.37%	0.78%
10-year	2.64%	-0.03%	2.75%	2.74%	1.90%
30-year	3.59%	-0.03%	3.67%	3.81%	3.10%



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



Foreign Exchange

(USDCAD implies 1-USD to CAD)

	Spot	27-Feb	day Δ	<i>Historical Levels</i>		
				-1 mnth	-3 mnths	-1 year
USDCAD	\$1.112	-0.001		1.115	1.054	1.031
EURUSD	\$1.371	+0.002		1.367	1.352	1.306
USDJPY	¥102.13	-0.250		102.94	101.67	92.56
GBPUSD	\$1.669	+0.002		1.658	1.616	1.516
AUDUSD	\$0.897	-0.000		0.878	0.916	1.022

	Spot	27-Feb	day Δ	<i>Historical Levels</i>		
				-1 mnth	-3 mnths	-1 year
CADJPY	¥91.82	-0.171		92.30	96.44	89.80
CADAUD	\$1.003	+0.001		1.021	1.035	0.950
GBPCAD	£1.856	+0.001		1.849	1.703	1.563
EURJPY	¥140.01	-0.100		140.73	137.43	120.85
EURAUD	\$1.53	+0.003		1.56	1.48	1.28

Economic Releases

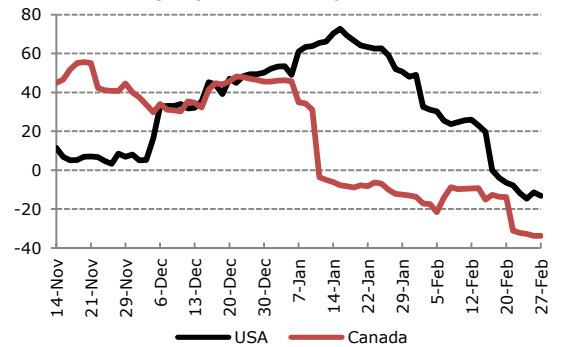
United States

		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	468K	414K
Thu, Feb 27	Durable Goods Orders	31-Jan	-1.7%	-1%	-4.3%
Thu, Feb 27	Continuing Claims	15-Feb	2985K	2964K	2981K
Thu, Feb 27	Initial Jobless Claims	22-Feb	335K	348K	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%

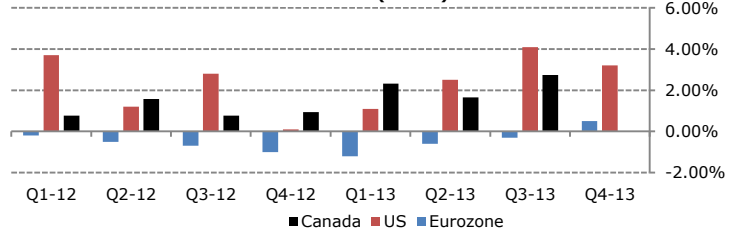
Citigroup Economic Surprise Index



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%

Real GDP (YoY%)



This market summary has been created by candidates in the University of Toronto's Master of Financial Economics Program (the "MFE Program"). The information contained herein is intended for educational and informative purposes only, and has been obtained from Bloomberg and other publicly-available sources, without independent verification of the accuracy thereof. The author, the MFE Program, and the Rotman Finance Association, jointly and severally expressly disclaim any responsibility for the completeness and/or accuracy of the information contained herein. The opinions expressed herein are based upon the analyses and interpretations of the Author, and are not necessarily reflective of the views or opinions of the MFE Program, Rotman Finance Association, or the University of Toronto. Nothing in this report should be construed as a solicitation, recommendation, or offer to buy or sell the securities mentioned herein. **Unauthorized use or reproduction is strictly prohibited.**