

Today's Commentary

North American markets rebounded on Friday as the S&P 500 snapped a 5-day losing streak, gaining 26.75 (1.34%) to 2019.42. The Dow posted a similar rise, adding 190.86 points (1.10%) to 17511.57, while the TSX added 267.59 (1.91%) to 14,309.41. Energy shares spurred benchmark indexes forward, as Brent crude rose 5.2% on a report from the International Energy Agency (IEA) claiming that lower prices have begun to trim production in certain regions, including North America. Another study from the University of Michigan found US consumer sentiment at its highest in more than a decade, generating even more positive sentiment. Despite markets ending the week on a high, 2015 has seen approximately \$1 trillion wiped away from U.S. shares, and volatility has been a key theme thus far. Bond yields edged forward Friday despite a week of declines, with the US 10s yield up 12bps to 1.84% and Canadian 10s rose 7bps to 1.54%.

In an attempt to rescue the Eurozone from the grip of deflation, ECB president Mario Draghi is expected to detail a \$635 billion bond-purchase program on January 22. Expectations for the focus of the quantitative easing are largely on government bonds, as last week the European Court of Justice ruled that it was not illegal for the ECB to purchase sovereign debt. Plans to have national central banks purchase their domestic debt is also anticipated as a method of risk-sharing. The ratio of sovereign debt purchases will be proportional to the size of each economy, though Greek debt will not be included as it has too low a rating to meet the criteria. The program is expected to bolster European markets, which have been struggling with negative inflation for the first time in five years, as the falling price of oil has caused a relative decline in the price of goods.

The Shanghai Composite index plummeted the most in over 5 years, losing 6.3% to 3,163.72, while increasing the 30-day volatility to a 5-year high. Chinese brokerage firms took the biggest hit, tumbling as much as 14%, after the Chinese securities regulator banned the ability of the three largest brokerage firms to add margin finance and securities lending to accounts for the next three months. The new policy may come as a result of the concern that stock gains are a result of margin finance. China's two biggest securities firms fell by more than 10%, resulting in the suspension of lending to new clients. This year alone, margin loans have increased to 1.08 trillion Yuan, from 400 billion Yuan last year, while the Shanghai composite index jumped 63% in the last 6 months.

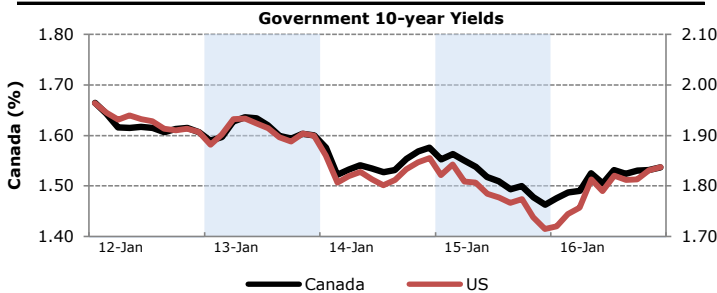
The Daily Roll is written by MFE Candidates Mark Belisle, Radu Dragomir and Kathleen Glofcheskie in partnership with the Rotman Finance Association. Please email dailyroll@economics.utoronto.ca to subscribe/unsubscribe.

Today's Major Economic Releases

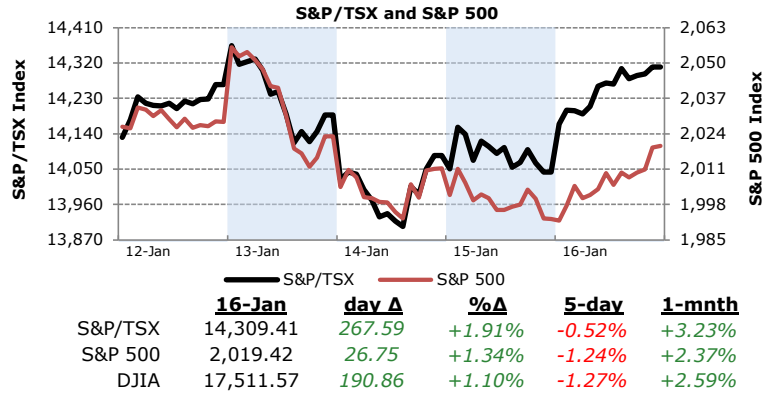
United States	Period	Survey	Actual	Prior
None Scheduled				

Canada	Period	Survey	Actual	Prior
None Scheduled				

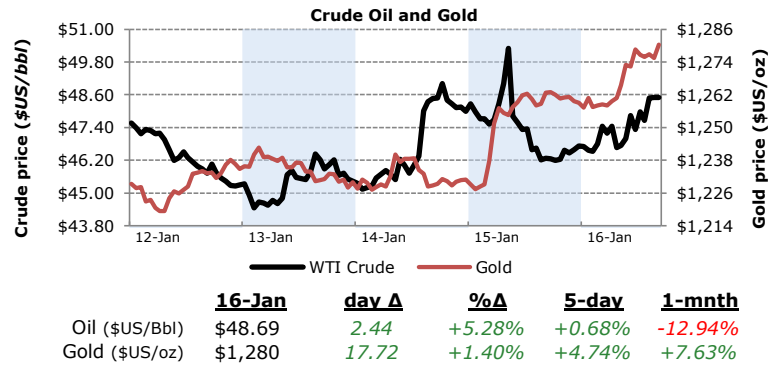
Interest Rates



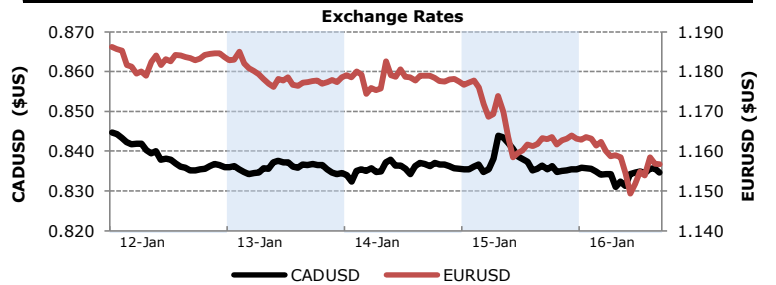
Equities



Commodities



Foreign Exchange



(USDCAD implies \$1-USD to CAD)

	Spot	16-Jan	day Δ	Historical levels		
				-5 days	-1 mnth	-1 year
USDCAD	\$1.198		+0.002	1.187	1.167	1.093
EURUSD	\$1.157		-0.007	1.184	1.244	1.362
USDJPY	¥117.51		+1.340	118.500	117.82	104.35

Government 10-year Yields

	16-Jan	day Δ	Historical levels		
			-1 mnth	-3 mnths	-1 year
Canada	1.54%	0.074%	1.81%	1.95%	2.53%
United States	1.84%	0.122%	2.14%	2.19%	2.84%

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.

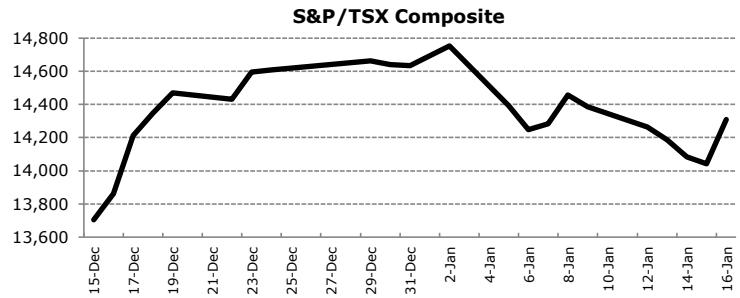
<http://www.rotmanfinanceassociation.com>

Sponsored By:



The information contained in this report is intended for educational and informative purposes only, and has been obtained from 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.**

	16-Jan	day Δ	%Δ
S&P/TSX	14,309.41	267.59	+1.91%
Trailing S&P/TSX			
5-day		-0.52%	-0.61%
1-month		+3.23%	+2.87%
3-months		+1.82%	+2.82%
6-months		-6.02%	-4.79%
12-months		+3.45%	+4.89%



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+0.74%	-2.64%	-0.18%	+20.96%
C. Staples	-0.31%	-0.07%	+3.05%	+37.93%
Energy	+6.14%	+2.74%	+6.22%	-21.48%
Financials	+0.33%	-3.34%	-4.14%	+1.22%
Healthcare	+2.20%	+1.46%	+8.82%	+10.92%
Info Tech	+1.42%	+0.63%	+6.74%	+30.94%
Industrials	+0.82%	-1.95%	-0.78%	+11.54%
Materials	+3.03%	+1.14%	+16.34%	-4.26%
Metals & Mining	+5.99%	-15.40%	-4.70%	-32.52%
Telecom	+2.27%	+3.41%	+4.25%	+11.68%
Utilities	+1.46%	+2.95%	+9.20%	+14.05%

TSX Top Performers

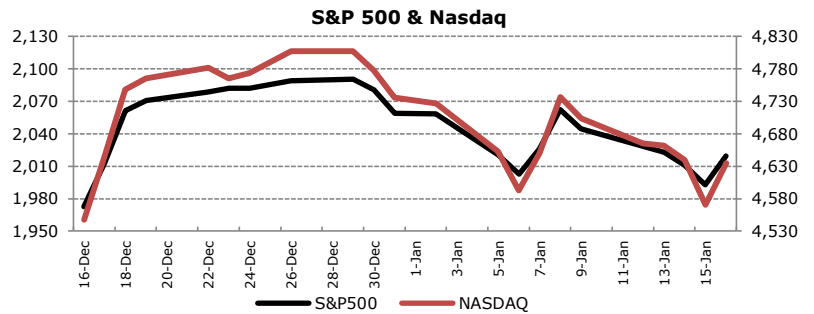
	1-day	5-day	1-mnth	12-mnths
Ranked by 1-day				
Meg Energy Corp	+17.75%	+16.24%	+33.38%	-34.73%
Canadian Energy Services	+13.04%	+4.80%	-11.65%	-27.97%
Athabasca Oil Corp	+13.00%	+0.00%	+1.35%	-67.10%
Torc Oil & Gas Ltd	+12.41%	+4.34%	+2.94%	-24.44%
Baytex Energy Corp	+12.22%	+8.35%	+16.10%	-54.60%

TSX Worst Performers

	1-day	5-day	1-mnth	12-mnths
Ranked by 1-day				
Trilogy Energy Corp	-12.72%	-6.73%	-22.29%	-76.13%
Bombardier Inc-B	-5.86%	-26.28%	-25.90%	-30.70%
Alacer Gold Corp	-4.47%	+1.83%	+25.23%	+11.65%
Novagold Resources Inc	-3.33%	+3.32%	+37.54%	+39.30%
West Fraser Timber Co Ltd	-2.67%	-7.83%	-1.55%	+5.90%

US Indices

	S&P 500	DJIA	Nasdaq
Trailing			
16-Jan	2,019.42	17,511.57	4,634.38
1-day	+1.34%	+1.10%	+1.39%
5-day	-1.24%	-1.27%	-1.48%
1-month	+2.37%	+2.59%	+1.90%
3-months	+8.41%	+8.65%	+9.89%
6-months	+1.91%	+2.18%	+4.71%
12-months	+9.40%	+6.67%	+9.85%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+1.31%	-1.69%	+2.17%	+6.54%
C. Staples	+0.78%	+0.31%	+4.45%	+16.23%
Energy	+3.19%	-1.51%	+2.86%	-11.91%
Financials	+1.20%	-2.68%	-0.46%	+6.73%
Healthcare	+1.92%	+0.17%	+4.86%	+23.25%
Info Tech	+0.91%	-2.48%	+1.42%	+13.95%
Industrials	+0.68%	-1.32%	+0.26%	+4.24%
Materials	+1.65%	-1.16%	+4.10%	+3.49%
Telecom	+1.65%	+1.91%	+4.86%	+1.66%
Utilities	+0.88%	+2.62%	+7.87%	+27.78%

DJIA Top Performers

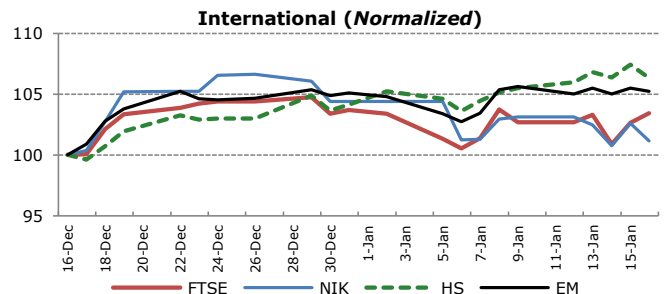
	1-day	5-day	1-mnth	12-mnths
Ranked by 1-day				
Home Depot Inc	+3.08%	-0.73%	+7.27%	+28.13%
Exxon Mobil Corp	+2.43%	-1.06%	+5.45%	-7.90%
Chevron Corp	+2.39%	-2.86%	+3.36%	-11.54%

DJIA Worst Performers

	1-day	5-day	1-mnth	12-mnths
Ranked by 1-day				
Goldman Sachs Group Inc	-0.71%	-5.40%	-3.32%	+1.18%
Wal-Mart Stores Inc	-0.70%	-2.89%	+4.59%	+13.04%
Caterpillar Inc	-0.55%	-4.32%	-6.13%	-8.86%

International Markets

	FTSE 100	Nikkei	Hang Seng	MSCI EM
Trailing				
Last Close	6,550.27	16,864.16	24,103.52	957.46
1-day	+0.79%	-1.43%	-1.02%	-0.26%
5-day	+0.76%	-1.76%	+0.77%	-0.41%
1-month	+3.45%	+0.65%	+6.32%	+5.22%
3-months	+5.72%	+14.42%	+5.25%	-1.36%
6-months	-3.45%	+9.65%	+2.47%	-10.25%
12-months	-3.89%	+7.09%	+4.86%	-1.76%



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 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

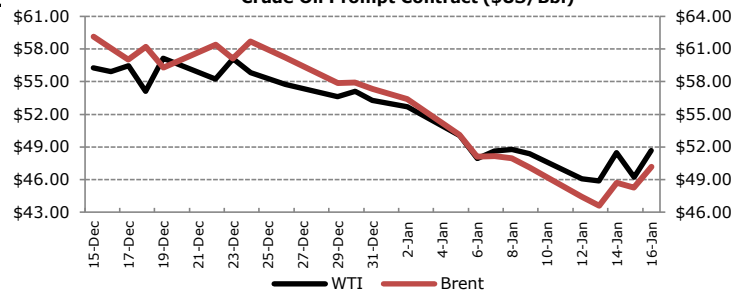
(\$US/Bbl)	16-Jan	day Δ	%Δ	5-day	1-mnth
Prompt	\$48.69	+\$2.44	+5.28%	+0.68%	-12.94%
Cal 15	\$51.96	+\$2.20	+4.42%	+0.02%	-23.91%
Cal 16	\$58.00	+\$1.49	+2.64%	-0.95%	-18.05%

(\$US/bbl)	Q2-15	Q3-15	Q4-15	Q1-16	2016
Consensus Forecast	\$60.00	\$66.00	\$72.28	\$73.28	\$78.00
Current Forward	\$50.61	\$52.75	\$54.56	\$56.01	\$58.00

Inventory Levels (as of Jan-09)

(Mbbbls)	Current	Week Δ	Last Yr	5 Yr. Avg
Crude Oil	387,782	+5,389	337,426	319,411
Motor Gas	240,334	+3,171	214,389	200,481
Distillates	139,851	+2,925	171,756	140,851

Crude Oil Prompt Contract (\$US/Bbl)



UK Brent Crude Oil

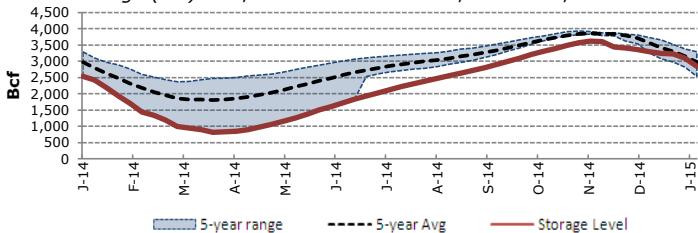
(\$US/Bbl)	16-Jan	day Δ	%Δ	5-day	1-mnth
Prompt	\$50.17	+\$1.90	+3.79%	+0.12%	-17.83%

Nymex Natural Gas

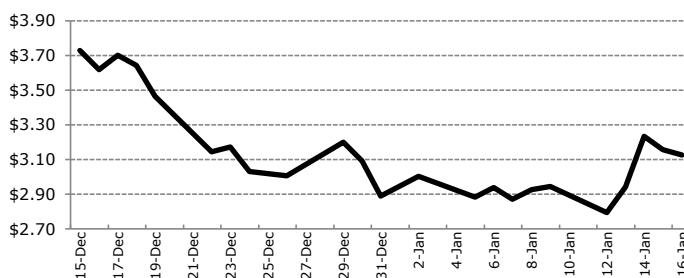
(\$US/MMbtu)	16-Jan	day Δ	%Δ	5-day	1-mnth
Prompt	\$3.13	-\$0.03	-0.98%	+6.14%	-13.59%
Feb15-Mar15	\$3.06	-\$0.02	-0.80%	+3.64%	-19.63%
Apr15-Oct15	\$3.07	-\$0.02	-0.66%	+1.92%	-18.07%
Nov15-Mar16	\$3.43	+\$0.00	+0.11%	+1.37%	-11.99%
Apr16-Oct16	\$3.36	+\$0.01	+0.29%	+0.68%	-13.01%

Inventory Levels (as of Jan-09)

	Current	Week Δ	Last Yr	5 Yr. Avg
US Storage (Bcf)	2,853	-236	2,530	2,966



Nat Gas Prompt (\$US/MMbtu)



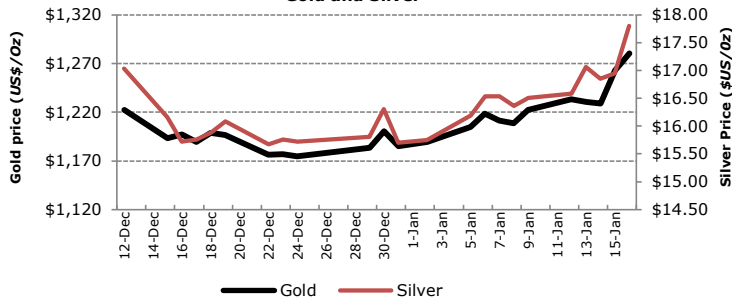
Alberta Natural Gas

(\$CAD/GJ)	16-Jan	day Δ	%Δ
AECO Feb-15	\$2.65	-\$0.21	-7.4%

Precious Metals

\$US/oz	16-Jan	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,280.45	+\$17.72	+1.4%	+4.7%	+7.6%	+3.9%
Silver	\$17.81	+\$0.85	+5.0%	+7.9%	+13.0%	+3.5%
Platinum	\$1,267	+\$7.40	+0.6%	+2.9%	+6.3%	+0.9%

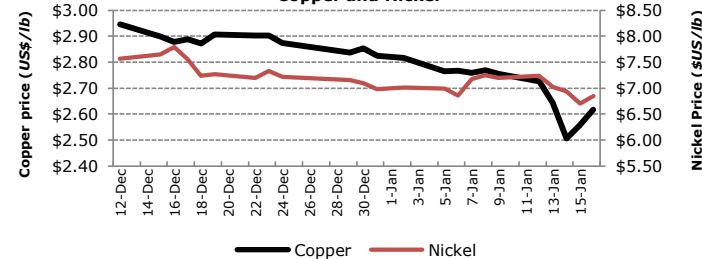
Gold and Silver



Industrial Metals

\$US/lb	16-Jan	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$2.62	+\$0.06	+2.3%	-5.0%	-9.4%	-13.9%
Nickel	\$6.85	+\$0.15	+2.2%	-4.8%	-9.4%	-4.3%
Zinc	\$1.01	+\$0.01	+0.8%	-5.2%	-4.9%	-9.2%
Aluminum	\$0.87	+\$0.01	+1.2%	0.0%	-4.4%	-9.4%
Uranium	\$36.50	+\$0.00	0.0%	+3.1%	-0.7%	+1.4%

Copper and Nickel



Agriculture & Other

	16-Jan	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$3.87	+\$0.07	+1.8%	-3.3%	-5.8%
Wheat (\$US/bu)	\$5.33	+\$0.00	+0.0%	-5.5%	-18.7%
Soybeans (\$US/bu)	\$9.92	+\$0.01	+0.1%	-5.7%	-4.9%
Rough Rice (\$US/cwt)	\$11.33	-\$0.01	-0.0%	-1.9%	-8.2%
Sugar #11 (¢US/lb)	¢15.33	-\$0.02	-0.1%	+2.8%	+2.3%
Lean Hogs (¢US/lb)	¢77.68	-\$0.67	-0.9%	-3.0%	-6.7%
Live Cattle (¢US/lb)	¢152.95	+\$0.15	+0.1%	-4.1%	-3.3%
Cotton No.2 (\$US/lb)	\$0.59	-\$0.00	-0.4%	-2.5%	-2.6%
Lumber (\$US/Mbft)	\$311.90	-\$2.60	-0.8%	-2.2%	-7.4%

Commodity ETFs

\$CAD	16-Jan	day Δ	%Δ	5-day	1-mnth
HBP Crude Oil U	\$8.99	+\$0.79	+9.6%	-0.6%	-26.4%
HBP Nat Gas U	\$5.49	-\$0.29	-5.0%	+5.4%	-35.9%
iShares Gold ETF	\$11.37	+\$0.13	+1.2%	+5.0%	+7.7%

\$USD	16-Jan	day Δ	%Δ	5-day	1-mnth
US Crude Oil	\$18.33	+\$0.88	+5.0%	0.27%	-11.6%
US Nat Gas	\$15.69	-\$0.43	-2.7%	4.67%	-16.3%
PSDB Agriculture	\$24.16	-\$0.08	-0.3%	-2.74%	-5.2%
PSDB Base Metals	\$15.27	+\$0.38	+2.6%	-1.90%	-4.8%

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 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

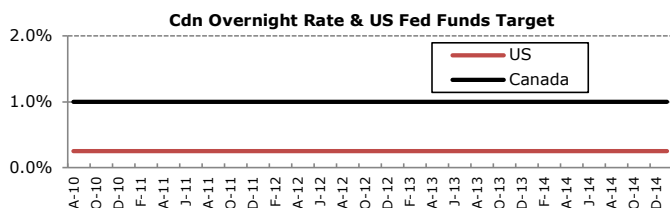
Canadian yield curve

	16-Jan	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.91%	-	0.90%	0.88%	0.89%
6-mnth	0.92%	-	0.93%	0.91%	0.92%
12-mnth	0.94%	+0.02%	0.97%	0.97%	0.96%
2-year	0.87%	+0.06%	1.00%	0.98%	1.04%
5-year	1.10%	+0.09%	1.37%	1.42%	1.73%
10-year	1.54%	+0.07%	1.81%	1.95%	2.53%
20-year	2.07%	+0.06%	2.31%	2.49%	2.98%
30-year	2.11%	+0.06%	2.33%	2.52%	3.08%

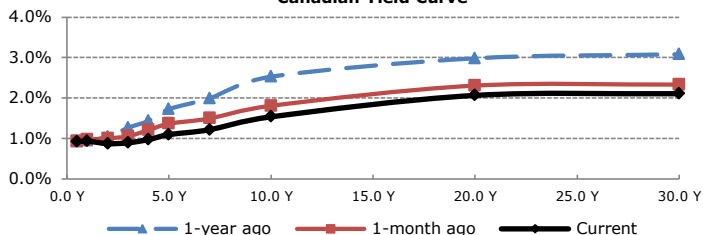
US yield curve

	16-Jan	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.02%	-0.01%	0.02%	0.02%	0.03%
6-mnth	0.07%	-	0.11%	0.04%	0.06%
12-mnth	0.16%	+0.01%	0.22%	0.10%	0.10%
2-year	0.48%	+0.07%	0.62%	0.37%	0.38%
5-year	1.30%	+0.14%	1.61%	1.42%	1.64%
10-year	1.84%	+0.12%	2.14%	2.19%	2.84%
30-year	2.45%	+0.09%	2.73%	2.97%	3.77%

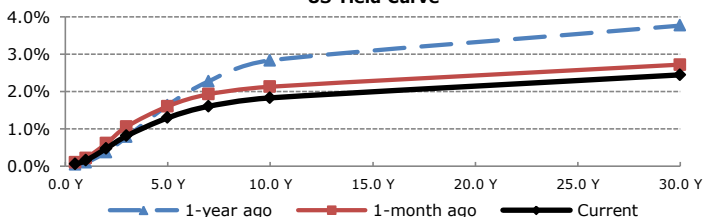
	Current	Prior	Next Meeting	Survey
Cdn Overnight	1.00%	1.00%	21-Jan-15	1.00%
US Fed Funds	0.25%	0.25%	28-Jan-15	0.25%



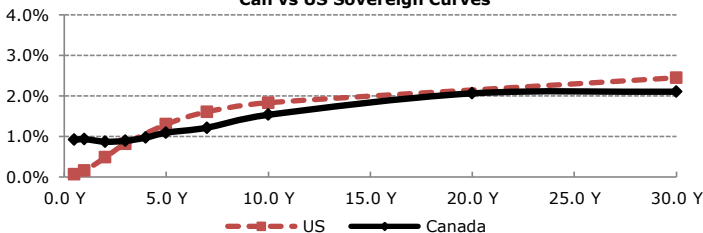
Canadian Yield Curve



US Yield Curve



Can vs US Sovereign Curves



Foreign Exchange

(USDCAD implies 1-USD to CAD)

Spot	16-Jan	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
USDCAD	\$1.198	+0.002	1.167	1.126	1.093
EURUSD	\$1.157	-0.007	1.244	1.284	1.362
USDJPY	¥117.51	+1.340	117.82	105.92	104.35
GBPUSD	\$1.515	-0.003	1.564	1.602	1.635
AUDUSD	\$0.822	+0.001	0.821	0.883	0.882

Spot	16-Jan	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
CADJPY	¥98.06	+0.942	100.94	94.11	95.46
CADAUD	\$1.015	-0.003	1.044	1.007	1.037
GBPCAD	£1.816	-0.000	1.825	1.803	1.788
EURJPY	¥135.95	+0.820	146.53	135.99	142.12
EURAUD	\$1.41	-0.009	1.51	1.45	1.54

Economic Releases

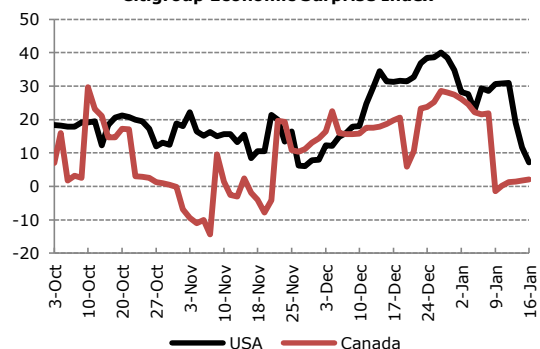
United States

Period	Survey	Actual	Prior
Wed, Jan 21 Housing Starts	1040K	--	1028K
Thu, Jan 22 Continuing Claims	2400K	--	2424K
Thu, Jan 22 Intial Jobless Claims	300K	--	316K
Fri, Jan 23 Leading Indicators	0.4%	--	0.6%
Fri, Jan 23 Existing Home Sales	5.08M	--	4.93M

Canada

Period	Survey	Actual	Prior
Tue, Jan 20 Manufacturing Sales (MoM)	-0.5%	--	-0.6%
Fri, Jan 23 BOC CPI Core (YoY)	2.2%	--	2.1%
Fri, Jan 23 Retail Sales (MoM)	-0.2%	--	0%
Fri, Jan 23 Consumer Price Index	1.6%	--	2%

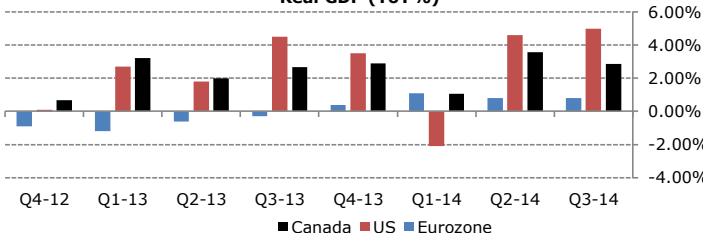
Citigroup Economic Surprise Index



Economics

	Q4-13	Q1-14	Q2-14	Q3-14	2013E
Canada					
Real GDP	2.90%	1.05%	3.59%	2.85%	1.80%
CPI	0.93%	1.37%	2.23%	2.07%	0.90%
Unemployment	7.20%	6.90%	7.10%	6.80%	7.05%
US					
Real GDP	3.50%	-2.10%	4.60%	5.00%	1.90%
CPI	1.23%	1.40%	2.07%	1.80%	1.50%
Unemployment	6.70%	6.60%	6.10%	5.90%	7.40%
China					
Real GDP	7.70%	7.40%	7.50%	7.30%	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 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.**