

Today's Commentary

While US bond and equity markets took the day off yesterday due to Martin Luther King Day, the TSX closed only slightly in the green, up 3.09 (0.02%) to 14,312.50. Despite nine out of ten sectors posting gains, energy stocks weighed the TSX down, as Brent crude slipped \$1.33 (-2.65%) to \$48.84 a barrel in response to a report citing Iraq's oil production reached a 35-year high in December 2014. Across the Pacific, the Shanghai Composite Index closed yesterday having plunged 7.7%, as investors fear Chinese regulators will continue to reign in on unstable credit fueled growth in the nation. Spot gold fell 0.24% to \$1,276.70 on Monday but investors remain bullish on the commodity this week; continued debasement in the Euro spurred on by effects of potential QE, as well as uncertainty surrounding the Greek elections will likely put a bid into safe-haven assets.

Chinese 4th quarter GDP was released yesterday, rising at an annualized rate of 7.3%, beating the median estimate of 7.2%. Thus the economy grew by 7.4% in 2014, the slowest in 24 years. In an attempt to boost the slowing economic growth, the central bank cut interest rates in November and pushed for the approval of infrastructure projects. The strong US recovery has also helped to increase demand for Chinese exports. In addition, Chinese industrial production rose 7.9% this year, beating estimates of 7.4%, while retail sales rose 11.9% this year, beating estimates of 11.7%. Better than expected Chinese data could lift commodity prices today while also helping the Shanghai Composite Index recoup prior day losses.

Copper rose over 1% yesterday, before falling 0.8% to \$5,672 per metric ton by day's close. The metal commodity lost 6.2% last week, as forecasts for global growth were cut by the World Bank. Copper prices have also been declining due to cheaper fuel prices, which are reducing the cost of its production and can account for a large portion of its price movement. Copper is utilized in most sectors of the economy, and its demand is sometimes used as an indicator for economic health. Morgan Stanley states there is no indication that demand for the metal has dampened, and expects its price to rise to over \$7,000 a ton by the end of 2015 as the price of oil stabilizes. Demand for copper is expected to exceed supply by upwards of 70,000 tons from now until 2017.

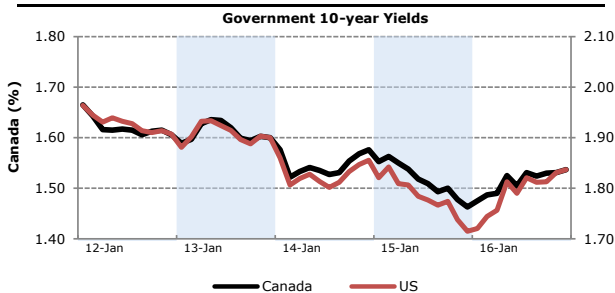
The Daily Roll is written by MFE Candidates Mark Belisle, Radu Dragomir and Kathleen Glofcheskie in partnership with the Rotman Finance Association. Please email dailyroll@economics.utoronto.ca to subscribe/unsubscribe.

Today's Major Economic Releases

United States **Period** **Survey** **Actual** **Prior**
None Scheduled

Canada **Period** **Survey** **Actual** **Prior**
Manufacturing Sales (MoM) -0.7% -- -13.8%

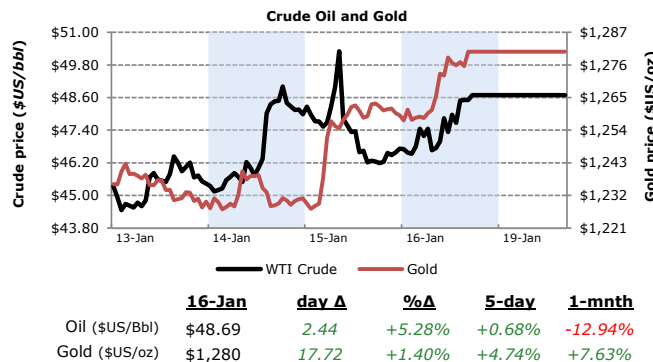
Interest Rates



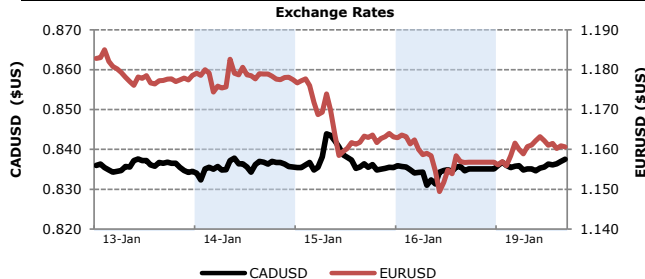
Equities



Commodities



Foreign Exchange



(USDCAD implies \$1-USD to CAD)

	Spot	19-Jan	day Δ	Historical levels		
				-5 days	-1 mnth	-1 year
USDCAD	\$1.194	-0.004		1.197	1.163	1.096
EURUSD	\$1.161	+0.004		1.183	1.251	1.354
USDJPY	¥117.56	+0.050		118.350	116.41	104.32

Government 10-year Yields

	19-Jan	day Δ	Historical levels		
			-1 mnth	-3 mnths	-1 year
Canada	1.52%	-0.020%	1.81%	1.97%	2.51%
United States	1.84%	0.122%	2.16%	2.22%	2.82%

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/>

STUDENTS
ASSOCIATION

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.

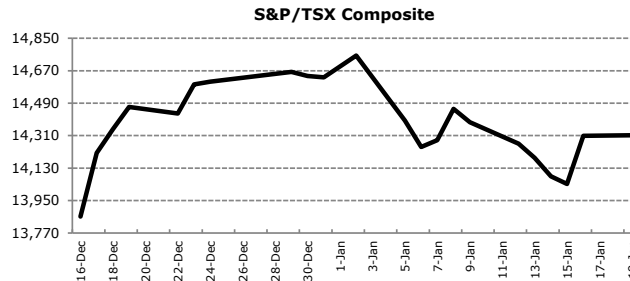
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	19-Jan	day Δ	%Δ
S&P/TSX	14,312.50	3.09	+0.02%
Trailing	S&P/TSX	TSX 60	
5-day	+0.33%	+0.00%	
1-month	-1.08%	-1.15%	
3-months	+0.60%	+1.43%	
6-months	-6.25%	-5.17%	
12-months	+3.06%	+4.40%	



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+0.47%	-2.09%	-2.20%	+20.95%
C. Staples	+0.31%	+0.19%	-2.58%	+37.73%
Energy	-1.61%	+5.97%	-7.00%	-22.84%
Financials	+0.33%	-2.10%	-5.72%	+1.24%
Healthcare	+0.92%	+2.16%	+6.10%	+11.98%
Info Tech	+0.79%	+2.64%	+4.06%	+30.20%
Industrials	+0.67%	-0.58%	-2.03%	+12.63%
Materials	+0.38%	-0.31%	+9.61%	-5.47%
Metals & Mining	+0.82%	-11.26%	-11.46%	-31.67%
Telecom	+0.30%	+3.25%	+4.15%	+12.12%
Utilities	+0.05%	+2.78%	+6.09%	+14.83%

TSX Top Performers

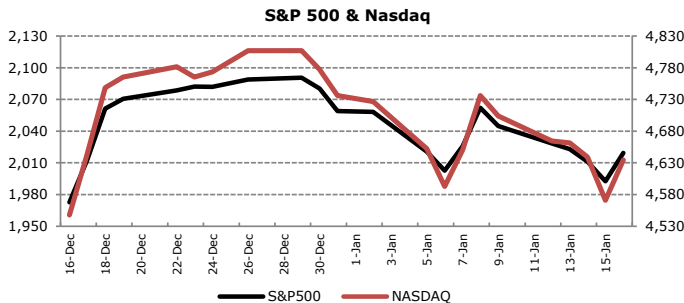
<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Legacy Oil + Gas Inc	+14.89%	+12.50%	-35.46%	-73.00%
China Gold International	+8.17%	+3.21%	+5.14%	-26.47%
Detour Gold Corp	+4.58%	+9.15%	+51.49%	+114.24%
Finning International Inc	+4.26%	-3.58%	-13.64%	-20.56%
Labrador Iron Ore Royalty	+3.98%	+1.67%	-3.03%	-45.75%

TSX Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Lightstream Resources Ltd	-8.85%	+9.57%	-17.60%	-82.69%
Bombardier Inc-B	-6.23%	-31.04%	-31.74%	-34.06%
Pacific Rubiales Energy C	-6.09%	-16.97%	-44.39%	-76.80%
Pason Systems Inc	-4.08%	-5.58%	-20.11%	-22.94%
Encana Corp	-3.86%	+3.70%	-4.33%	-19.16%

US Indices

<i>Trailing</i>	S&P 500	DJIA	Nasdaq
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

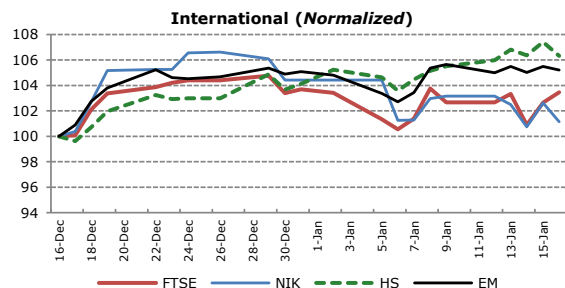
<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Home Depot Inc	+3.08%	-0.73%	+7.27%	+28.13%
Exxon Mobil Corp	+2.43%	-1.06%	+5.45%	-7.90%
Chevron Corp	+2.39%	-2.86%	+3.36%	-11.54%

DJIA Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
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

<i>Trailing</i>	FTSE 100	Nikkei	Hanq Seng	MSCI EM
Last Close	6,585.53	17,014.29	23,738.49	957.46
1-day	+0.54%	+0.89%	-1.51%	-0.26%
5-day	+1.29%	-1.07%	-1.20%	-0.41%
1-month	+0.62%	-3.45%	+2.69%	+5.22%
3-months	+4.36%	+17.08%	+3.11%	-1.36%
6-months	-2.43%	+11.82%	+1.21%	-10.25%
12-months	-3.57%	+8.13%	+2.62%	-1.76%



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Nymex WTI Crude Oil

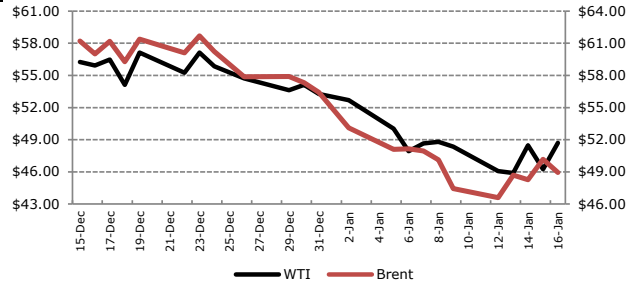
(\$US/Bbl)	16-Jan	day Δ	%Δ	5-day	1-mnth
Prompt	\$48.69	+\$2.44	+5.28%	+0.68%	-12.94%
Cal 15	\$51.96	+\$2.20	+4.42%	+0.02%	-23.91%
Cal 16	\$58.00	+\$1.49	+2.64%	-0.95%	-18.05%

(\$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)

(MBbls)	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)



WTI Brent

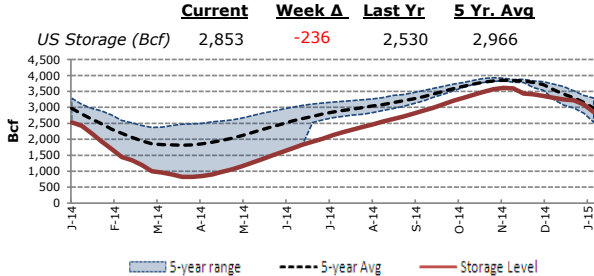
(\$US/Bbl)	16-Jan	day Δ	%Δ	5-day	1-mnth
Prompt	\$50.17	+\$1.90	+3.79%	+0.12%	-18.04%

UK Brent Crude Oil

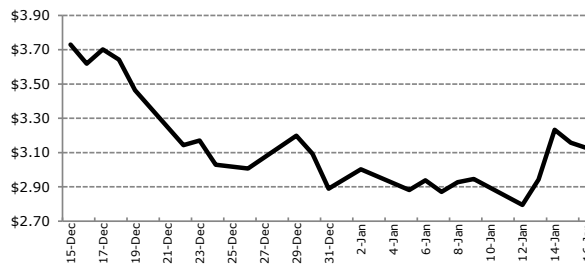
Nymex Natural Gas

(\$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)



Nat Gas Prompt (\$US/MMbtu)

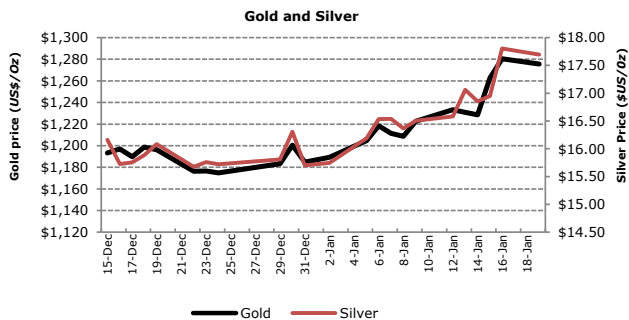


Alberta Natural Gas

(\$CAD/GJ)	19-Jan	day Δ	%Δ
AECO Feb-15	\$2.65	-\$0.21	-7.4%

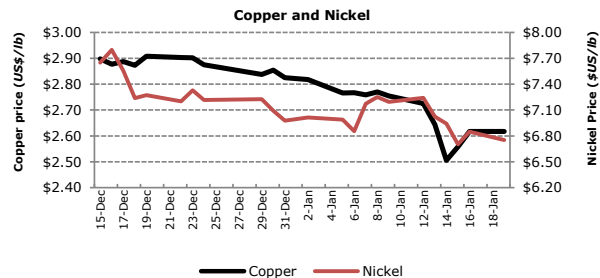
Precious Metals

\$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%



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%



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

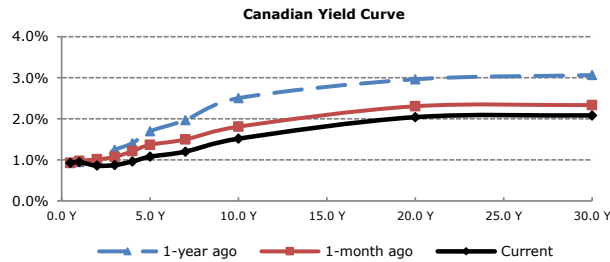
\$CAD	19-Jan	day Δ	%Δ	5-day	1-mnth
HBP Crude Oil U	\$8.65	-\$0.34	-3.8%	+6.0%	-31.1%
HBP Nat Gas U	\$5.19	-\$0.30	-5.5%	+11.1%	-36.2%
iShares Gold ETF	\$11.21	-\$0.16	-1.4%	+2.1%	+5.6%
\$USD	16-Jan				
US Crude Oil	\$17.45	+\$0.00	+0.0%	-4.54%	-18.2%
US Nat Gas	\$16.12	+\$0.00	+0.0%	7.54%	-14.3%
PSDB Agriculture	\$24.24	+\$0.00	+0.0%	-2.42%	-3.3%
PSDB Base Metals	\$14.89	+\$0.00	+0.0%	-4.34%	-7.7%

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Interest Rates

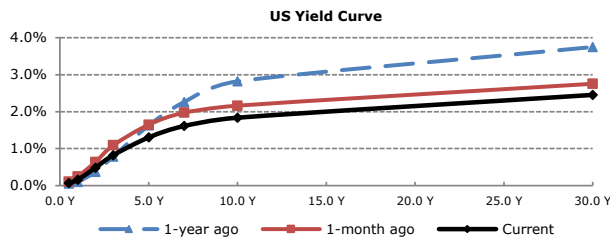
Canadian yield curve

		Historical Levels			
	19-Jan	day Δ	-1 mnth	-3 mnths	-1 year
3-mnth	0.91%	-	0.90%	0.88%	0.89%
6-mnth	0.93%	-	0.93%	0.92%	0.92%
12-mnth	0.95%	+0.01%	0.98%	0.97%	0.95%
2-year	0.86%	-0.01%	1.01%	0.98%	1.02%
5-year	1.08%	-0.02%	1.37%	1.44%	1.70%
10-year	1.52%	-0.02%	1.81%	1.97%	2.51%
20-year	2.04%	-0.03%	2.31%	2.50%	2.96%
30-year	2.08%	-0.02%	2.34%	2.54%	3.07%

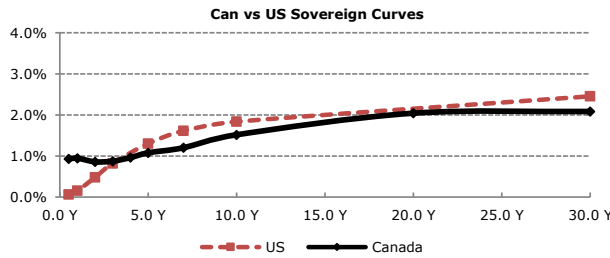


US yield curve

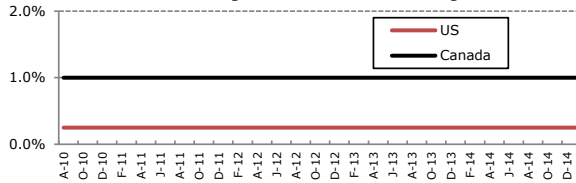
		Historical Levels			
	16-Jan	day Δ	-1 mnth	-3 mnths	-1 year
3-mnth	0.02%	-0.01%	0.03%	0.01%	0.03%
6-mnth	0.07%	-	0.11%	0.05%	0.06%
12-mnth	0.16%	+0.01%	0.24%	0.10%	0.10%
2-year	0.48%	+0.07%	0.64%	0.36%	0.37%
5-year	1.30%	+0.14%	1.65%	1.43%	1.63%
10-year	1.84%	+0.12%	2.16%	2.22%	2.82%
30-year	2.45%	+0.09%	2.75%	2.99%	3.75%



	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%



Cdn Overnight Rate & US Fed Funds Target



Foreign Exchange

(USDCAD implies 1-USD to CAD)

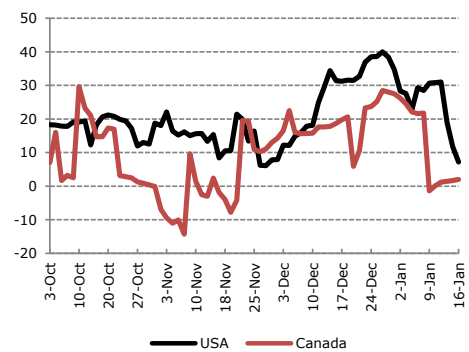
		Historical Levels						Historical Levels			
Spot	19-Jan	day Δ	-1 mnth	-3 mnths	-1 year	Spot	19-Jan	day Δ	-1 mnth	-3 mnths	-1 year
USDCAD	\$1.194	-0.004	1.163	1.126	1.096	CADJPY	¥98.45	+0.399	100.12	94.44	95.14
EURUSD	\$1.161	+0.004	1.251	1.281	1.354	CADAUD	\$1.020	+0.005	1.046	1.014	1.039
USDJPY	¥117.56	+0.050	116.41	106.33	104.32	GBPCAD	£1.805	-0.011	1.831	1.811	1.801
GBPUSD	\$1.511	-0.004	1.575	1.609	1.642	EURJPY	¥136.45	+0.500	145.64	136.20	141.25
AUDUSD	\$0.821	-0.001	0.822	0.876	0.878	EURAUD	\$1.41	+0.007	1.52	1.46	1.54

Economic Releases

United States

		Period	Survey	Actual	Prior
Wed, Jan 21	Housing Starts		1040K	--	-0.7K
Thu, Jan 22	Continuing Claims		2400K	--	241K
Thu, Jan 22	Initial Jobless Claims		300K	--	-39K
Fri, Jan 23	Leading Indicators		0.4%	--	2424%
Fri, Jan 23	Existing Home Sales		5.08M	--	316M

Citigroup Economic Surprise Index



Canada

		Period	Survey	Actual	Prior
Tue, Jan 20	Manufacturing Sales (MoM)		-0.7%	--	-13.8%
Fri, Jan 23	BOC CPI Core (YoY)		2.2%	--	-4.3%
Fri, Jan 23	Retail Sales (MoM)		-0.2%	--	6.6%
Fri, Jan 23	Consumer Price Index		1.6%	--	180.56%

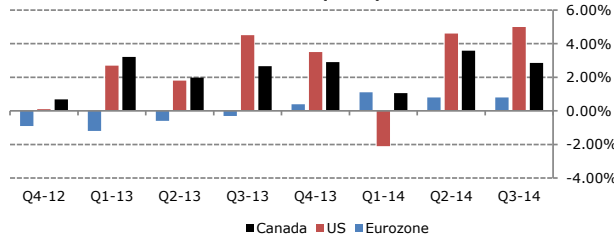
Economics

Canada	Q4-13	Q1-14	Q2-14	Q3-14	2013E
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	Q4-13	Q1-14	Q2-14	Q3-14	2013E
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	Q4-13	Q1-14	Q2-14	Q3-14	2013E
Real GDP	7.70%	7.40%	7.50%	7.30%	7.70%

Real GDP (YoY%)



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