

Today's Commentary

American stocks continued to advance for a 3rd day in a row yesterday, as oil prices rallied, giving energy producers a boost. The Dow rose 39.05 (0.22%) to 17,554.28 and the S&P 500 jumped 9.57 (0.47%) to 2,032.12. Canadian stocks shot up, as the central bank unexpectedly cut the benchmark interest rate to 0.75% in an attempt to counteract the plummeting oil prices. The TSX rose 251.90 (1.76%) to 14,560.42, with energy and health care shares making the largest gains. The change in monetary policy also caused a depreciation of the Canadian dollar to 0.8094 CAD/USD, the lowest since April 2009. The yield on US 10s rose 8bps to 1.87%, while the yield on Canadian 10s fell 5bps to 1.43%.

This morning, the ECB has decided to keep interest rates unchanged while announcing an expanded asset-purchasing program that will include both private and public securities; 60 billion euros worth of assets will be added to the ECB's balance sheet each month, beginning in March 2015 and lasting until September 2016. The size of the purchasing program has exceeded market expectations which called for 50 billion euros of asset purchases per month. This move could lead to further downside risk in the euro today, while European stocks will likely be given a boost. Draghi, in his press conference, has outlined that only investment grade debt will be purchased and 80% of the credit risk of sovereign bond purchases will be assumed by national central banks.

The surprise quarter point drop in the Canadian benchmark rate is a response to the "financial stability risks" and deflationary pressure of the falling price of oil. Oil is Canada's top export, and it is the largest exporter of crude in the G-7. The BOC had lowered its economic growth forecast to 2.1% for 2015, revised from 2.4%, while the IMF cut its global growth projections earlier this week. The loosening of monetary policy should help stabilize falling Canadian investment and debt growth, while providing insurance against falling global inflation. Governor Poloz of the BOC also stated that there may be rate cuts on the way if necessary. The TSX saw its largest rally in 3 months, while the Canadian dollar depreciated 1.8% against the greenback.

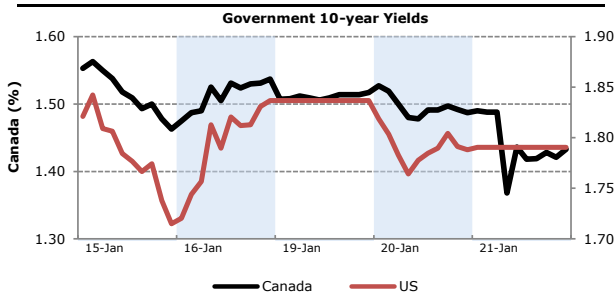
The Daily Roll is written by MFE Candidates Mark Belisle, Radu Dragomir and Kathleen Glofcheskie in partnership with the Rotman Finance Association. Please email dailyroll@economics.utoronto.ca to subscribe/unsubscribe.

Today's Major Economic Releases

United States	Period	Survey	Actual	Prior
Initial Jobless Claims		300K	307K	316K

Canada	Period	Survey	Actual	Prior
None Scheduled				

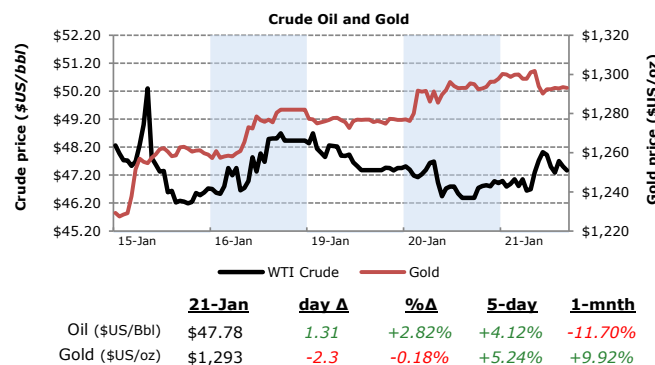
Interest Rates



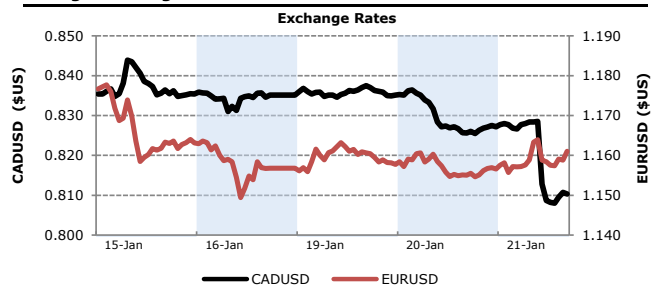
Equities



Commodities



Foreign Exchange



(USDCAD implies \$1-USD to CAD)

	Spot	21-Jan	day Δ	Historical levels		
USDCAD	\$1.234		+0.023	-5 days	-1 mnth	-1 year
EURUSD	\$1.161		+0.006	1.195	1.158	1.097
USDJPY	¥117.97		-0.850	1.179	1.229	1.356
				117.330	118.84	104.30

Government 10-year Yields

	21-Jan	day Δ	Historical levels		
Canada	1.43%	-0.054%	-1 mnth	-3 mnths	-1 year
United States	1.87%	0.084%	1.79%	2.00%	2.51%
			2.16%	2.27%	2.83%

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.

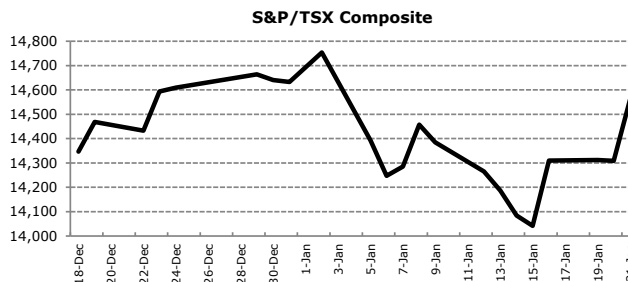
<http://www.rotmanfinanceassociation.com>

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.**

	21-Jan	day Δ	%Δ
S&P/TSX	14,560.42	251.98	+1.76%
Trailing S&P/TSX			
5-day	+3.38%	+3.64%	
1-month	+0.64%	+0.95%	
3-months	+0.09%	+1.39%	
6-months	-4.52%	-3.08%	
12-months	+4.36%	+6.15%	



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+0.93%	+1.49%	-1.24%	+21.79%
C. Staples	+1.57%	+1.47%	-1.93%	+38.71%
Energy	+3.15%	+3.92%	-6.39%	-22.75%
Financials	+1.49%	+0.93%	-4.63%	+1.66%
Healthcare	+1.80%	+4.46%	+7.51%	+13.94%
Info Tech	+0.75%	-0.23%	+4.47%	+28.97%
Industrials	+1.48%	+2.03%	-0.10%	+14.68%
Materials	+1.72%	+12.24%	+14.77%	-1.68%
Metals & Mining	+5.67%	+15.71%	-4.42%	-26.78%
Telecom	-1.68%	+0.44%	+1.90%	+9.26%
Utilities	-0.87%	+1.77%	+5.10%	+13.17%

TSX Top Performers

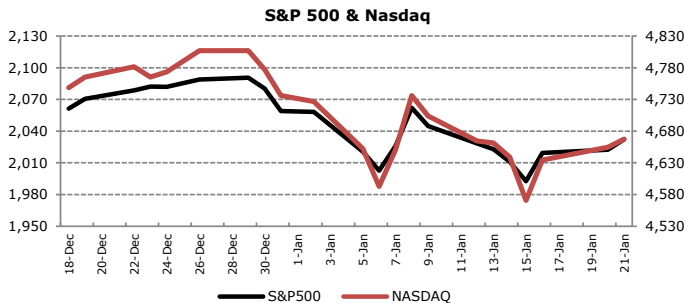
Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Western Forest Products I	+15.57%	+0.41%	+1.66%	+10.05%
West Fraser Timber Co Ltd	+8.86%	-1.50%	+2.21%	+9.84%
Interfor Corp	+8.65%	-2.66%	-5.41%	+32.50%
Enerplus Corp	+8.59%	+8.91%	-2.35%	-41.31%
Teck Resources Ltd-Clis B	+8.40%	+15.75%	+2.99%	-40.69%

TSX Worst Performers

Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Eldorado Gold Corp	-18.60%	-4.25%	+3.93%	+4.76%
Osisko Gold Royalties Lt	-8.10%	+3.54%	+11.44%	NA
Bombardier Inc-B	-5.71%	-36.23%	-33.50%	-31.35%
Manitoba Telecom Svcs Inc	-5.70%	-3.32%	-5.22%	-10.96%
Canadian Utilities Ltd-A	-5.20%	-0.29%	+7.02%	+18.49%

US Indices

Trailing	S&P 500	DJIA	Nasdaq
21-Jan	2,032.12	17,554.28	4,667.42
1-day	+0.47%	+0.22%	+0.27%
5-day	+0.45%	-0.34%	+0.13%
1-month	-1.86%	-1.41%	-2.06%
3-months	+4.68%	+5.65%	+5.61%
6-months	+2.96%	+2.95%	+5.49%
12-months	+10.21%	+6.94%	+10.45%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+0.62%	-1.13%	-1.71%	+7.22%
C. Staples	+0.30%	+1.33%	+1.81%	+17.54%
Energy	+1.83%	+4.04%	-4.47%	-10.61%
Financials	+0.19%	-1.70%	-5.18%	+6.82%
Healthcare	+0.11%	+0.76%	-0.25%	+22.73%
Info Tech	+0.15%	-0.13%	-2.58%	+15.12%
Industrials	+0.72%	+1.02%	-2.10%	+6.36%
Materials	+0.98%	+1.41%	-1.01%	+4.26%
Telecom	+0.18%	+1.85%	+1.69%	+3.59%
Utilities	+0.99%	+3.81%	+5.05%	+27.89%

DJIA Top Performers

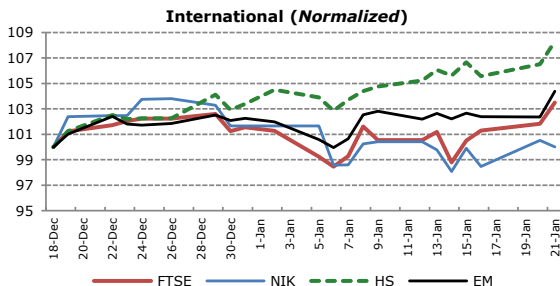
Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Unitedhealth Group Inc	+3.50%	+6.06%	+6.66%	+51.88%
Caterpillar Inc	+1.67%	-0.35%	-6.15%	-3.10%
Chevron Corp	+1.59%	+3.80%	-4.22%	-6.93%

DJIA Worst Performers

Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Intl Business Machines Co	-3.10%	-3.01%	-4.05%	-17.33%
Pfizer Inc	-1.39%	+0.62%	+2.19%	+8.19%
Microsoft Corp	-1.01%	-0.94%	-3.65%	+30.43%

International Markets

Trailing	FTSE 100	Nikkei	Hanq Seng	MSCI EM
Last Close	6,728.04	17,280.48	24,352.58	976.07
1-day	+1.63%	-0.49%	+1.68%	+1.96%
5-day	+5.32%	+2.88%	+1.00%	+1.69%
1-month	+2.79%	-1.93%	+5.35%	+3.33%
3-months	+5.58%	+16.73%	+5.47%	-0.58%
6-months	-0.01%	+13.57%	+4.13%	-8.20%
12-months	-1.55%	+9.40%	+5.73%	+0.55%



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.**

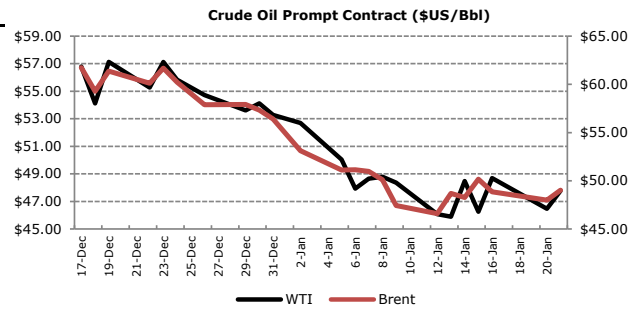
Nymex WTI Crude Oil

(\$US/Bbl)	21-Jan	day Δ	%Δ	5-day	1-mnth
Prompt	\$47.78	+\$1.31	+2.82%	+4.12%	-11.70%
Cal 15	\$51.04	+\$1.19	+2.39%	+2.02%	-23.79%
Cal 16	\$56.99	+\$0.92	+1.64%	-0.11%	-17.95%

(\$US/bbl)	Q2-15	Q3-15	Q4-15	Q1-16	2016
Consensus Forecast	\$58.00	\$65.00	\$72.00	\$72.00	\$75.00
Current Forward	\$49.23	\$51.57	\$53.41	\$54.93	\$56.99

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



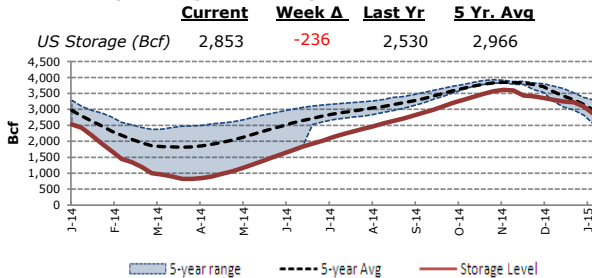
UK Brent Crude Oil

(\$US/Bbl)	21-Jan	day Δ	%Δ	5-day	1-mnth
Prompt	\$49.03	+\$1.04	+2.12%	+0.70%	-17.28%

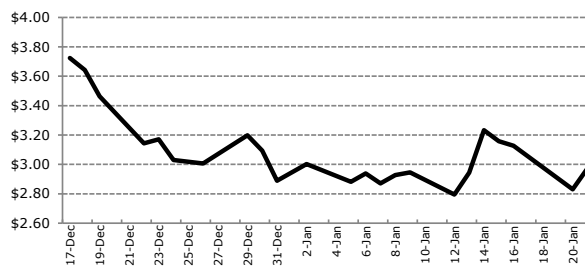
Nymex Natural Gas

(\$US/MMbtu)	21-Jan	day Δ	%Δ	5-day	1-mnth
Prompt	\$2.97	+\$0.14	+5.05%	+1.05%	-18.34%
Feb15-Mar15	\$2.94	+\$0.11	+4.05%	+0.40%	-23.00%
Apr15-Oct15	\$2.99	+\$0.10	+3.58%	+0.20%	-20.65%
Nov15-Mar16	\$3.36	+\$0.08	+2.34%	+0.41%	-14.15%
Apr16-Oct16	\$3.33	+\$0.07	+2.12%	-0.22%	-13.96%

Inventory Levels (as of Jan-09)



Nat Gas Prompt (\$US/MMbtu)

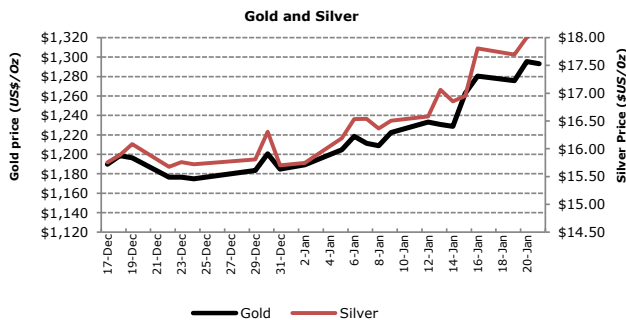


Alberta Natural Gas

(\$CAD/GJ)	21-Jan	day Δ	%Δ
AECO Feb-15	\$2.60	+\$0.11	+4.4%

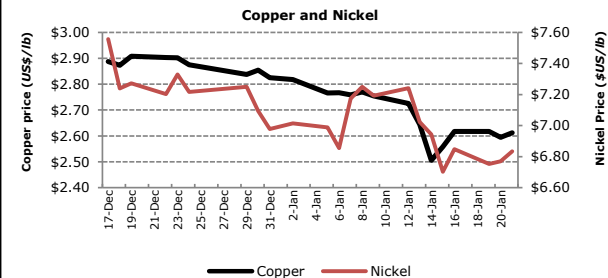
Precious Metals

\$US/oz	21-Jan	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,293.10	-\$2.30	-0.2%	+5.2%	+9.9%	+5.3%
Silver	\$18.13	+\$0.13	+0.7%	+7.6%	+15.7%	+5.3%
Platinum	\$1,274	-\$9.30	-0.7%	+3.4%	+7.8%	+0.5%



Industrial Metals

\$US/lb	21-Jan	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$2.61	+\$0.02	+0.7%	+4.3%	-10.0%	-15.5%
Nickel	\$6.83	+\$0.06	+0.9%	-1.6%	-5.1%	-0.9%
Zinc	\$1.04	+\$0.01	+1.3%	+0.7%	-2.9%	-6.9%
Aluminum	\$0.89	+\$0.00	0.0%	+3.5%	-3.3%	-6.3%
Uranium	\$36.50	+\$0.00	0.0%	+2.1%	+0.3%	-0.5%



Agriculture & Other

	21-Jan	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$3.88	-\$0.02	-0.6%	+1.8%	-6.3%
Wheat (\$US/bu)	\$5.37	-\$0.00	-0.0%	-0.2%	-15.5%
Soybeans (\$US/bu)	\$9.84	+\$0.02	+0.2%	-2.6%	-6.0%
Rough Rice (\$US/cwt)	\$11.37	+\$0.10	+0.9%	+2.0%	-8.4%
Sugar #11 (¢US/lb)	¢15.92	¢0.09	+0.6%	+6.6%	+7.3%
Lean Hogs (¢US/lb)	¢74.23	¢0.45	-0.6%	-4.8%	-11.4%
Live Cattle (¢US/lb)	¢151.88	¢0.80	+0.5%	-1.6%	-4.9%
Cotton No.2 (\$US/lb)	\$0.58	+\$0.00	+0.4%	-1.6%	-6.2%
Lumber (\$US/Mbft)	\$308.70	+\$5.80	+1.9%	-2.0%	-7.9%

Commodity ETFs

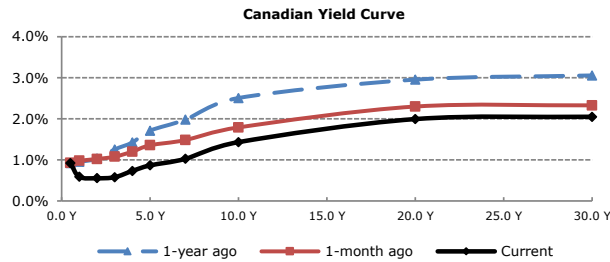
\$CAD	21-Jan	day Δ	%Δ	5-day	1-mnth
HBP Crude Oil U	\$8.43	+\$0.30	+3.7%	-6.3%	-28.9%
HBP Nat Gas U	\$5.02	+\$0.24	+5.0%	-16.5%	-40.0%
iShares Gold ETF	\$11.56	+\$0.04	+0.3%	+5.7%	+8.7%
\$USD	21-Jan				
US Crude Oil	\$17.77	+\$0.29	+1.7%	0.85%	-15.1%
US Nat Gas	\$15.02	+\$0.33	+2.2%	0.54%	-8.2%
PSDB Agriculture	\$23.84	-\$0.14	-0.6%	-2.38%	-5.8%
PSDB Base Metals	\$15.32	+\$0.15	+1.0%	2.63%	-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

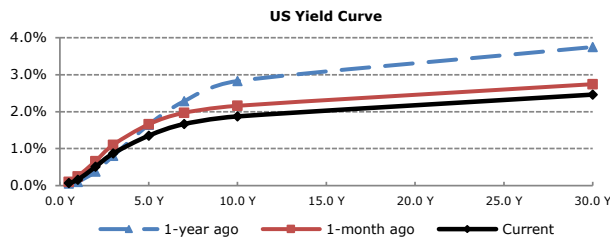
Canadian yield curve

		Historical Levels			
	21-Jan	day Δ	-1 mnth	-3 mnths	-1 year
3-mnth	0.91%	-	0.91%	0.89%	0.90%
6-mnth	0.92%	-	0.93%	0.92%	0.92%
12-mnth	0.59%	-0.35%	0.98%	0.97%	0.95%
2-year	0.55%	-0.29%	1.02%	1.01%	1.03%
5-year	0.87%	-0.18%	1.36%	1.48%	1.71%
10-year	1.43%	-0.05%	1.79%	2.00%	2.51%
20-year	2.00%	-0.02%	2.30%	2.52%	2.96%
30-year	2.05%	-0.00%	2.33%	2.56%	3.06%

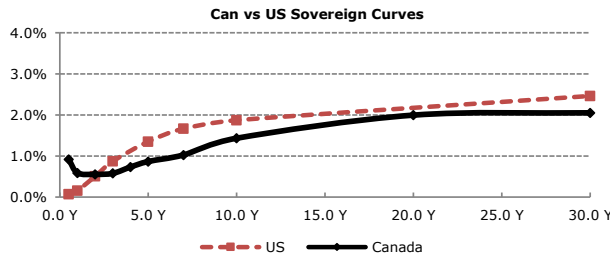


US yield curve

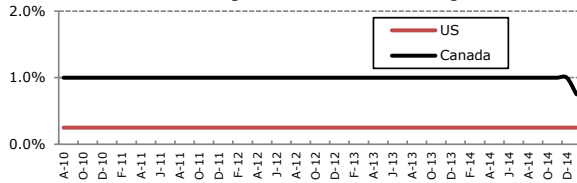
		Historical Levels			
	21-Jan	day Δ	-1 mnth	-3 mnths	-1 year
3-mnth	0.02%	+0.02%	0.02%	0.01%	0.04%
6-mnth	0.07%	+0.01%	0.10%	0.05%	0.06%
12-mnth	0.16%	-	0.25%	0.10%	0.10%
2-year	0.51%	+0.02%	0.66%	0.39%	0.38%
5-year	1.35%	+0.07%	1.66%	1.49%	1.65%
10-year	1.87%	+0.08%	2.16%	2.27%	2.83%
30-year	2.46%	+0.08%	2.74%	3.04%	3.75%



	Current	Prior	Next Meeting	Survey
Cdn Overnight	0.75%	1.00%	4-Mar-15	0.75%
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)

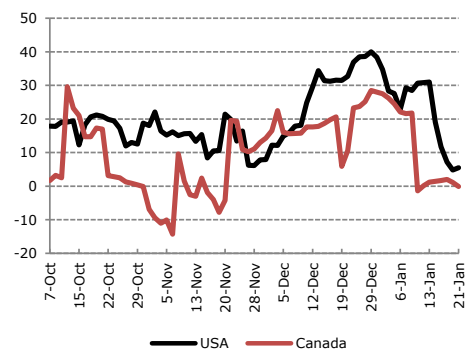
		Historical Levels						Historical Levels			
Spot	21-Jan	day Δ	-1 mnth	-3 mnths	-1 year	Spot	21-Jan	day Δ	-1 mnth	-3 mnths	-1 year
USDCAD	\$1.234	+0.023	1.158	1.129	1.097	CADJPY	¥95.59	-2.493	102.65	94.77	95.10
EURUSD	\$1.161	+0.006	1.229	1.280	1.356	CADAUD	\$1.002	-0.008	1.058	1.009	1.035
USDJPY	¥117.97	-0.850	118.84	106.95	104.30	GBPCAD	£1.869	+0.034	1.814	1.824	1.807
GBPUSD	\$1.514	-0.000	1.567	1.617	1.648	EURJPY	¥136.96	-0.280	146.01	136.89	141.43
AUDUSD	\$0.809	-0.009	0.817	0.878	0.881	EURAUD	\$1.44	+0.023	1.50	1.46	1.54

Economic Releases

United States

		Period	Survey	Actual	Prior
Wed, Jan 21	Housing Starts		1040K	1089K	1028K
Thu, Jan 22	Continuing Claims		2400K	--	241K
Thu, Jan 22	Initial Jobless Claims		300K	--	316K
Fri, Jan 23	Leading Indicators		0.4%	--	0.6%
Fri, Jan 23	Existing Home Sales		5.08M	--	4.93M

Citigroup Economic Surprise Index



Canada

		Period	Survey	Actual	Prior
Tue, Jan 20	Manufacturing Sales (MoM)		-0.7%	-1.4%	-0.6%
Fri, Jan 23	BOC CPI Core (YoY)		2.3%	--	2.1%
Fri, Jan 23	Retail Sales (MoM)		-0.2%	--	0%
Fri, Jan 23	Consumer Price Index		1.6%	--	2%

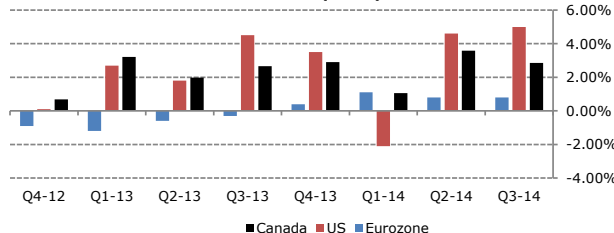
Economics

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	7.60%	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.**