

#### Today's Commentary

Yesterday was an excellent day for North American markets, as news of ECB stimulus bolstered expectations of extended global liquidity. The Dow gained 259.70 (1.48%) to 17,813.98 logging its fourth day of gains, while the S&P 500 jumped 31.03 (1.53%) to 2,063.15, putting the index back in the black for 2015. The TSX gained 203.56 (1.4%) closing at 14,763.98, its highest level in nearly two months, as all ten of its main sectors made gains. The Euro weakened against the greenback on the news of the ECB's bond buying program, ending at 1.137 EURUSD. The depreciating euro will help European exports, and fight the dangerously low inflation of the region.

Oil futures jumped as much as 3.1% in New York, after news of the death of King Abdullah of Saudi Arabia, the biggest oil producer in OPEC. Andy Lipow, the president of Lipow Oil Associates LLC, suggested, "The market is reacting bullishly to this news because it may usher in a period of uncertainty as far as Saudi policies going forward as new leadership takes over". Salman bin Abdulaziz, the successor of King Abdullah, confirmed that Saudi Arabia would continue its current policies regarding oil in the current economic environment on January 6<sup>th</sup>. An important indicator of King Salman's stance will involve his decision on whether to retain the current oil minister. The death of King Abdullah also raises concerns about increased instability in the Middle East and increased volatility in oil markets.

Greek 10 year bond yields fell 40bps yesterday to 8.97% in response to the ECB's expanded asset purchasing plan, as investors believe Greece can still gain access to the purchasing program if the nation continues on the path of fiscal consolidation. Countries in the Eurozone whose sovereign debt is not of investment grade and who are already involved in bailout agreements face additional criteria before the ECB can effectively buy their sovereign bonds. The consensus expectation before the ECB policy announcement was that Greece might be prohibited entirely from the program. "This is a carrot to Syriza to reach an agreement with the troika," claimed Athanasios Vamvakidis, chief of G10 FX strategy at BAML. Greece will be ineligible to take part in the program until at least July of this year, when a payment on their sovereign debt becomes due.

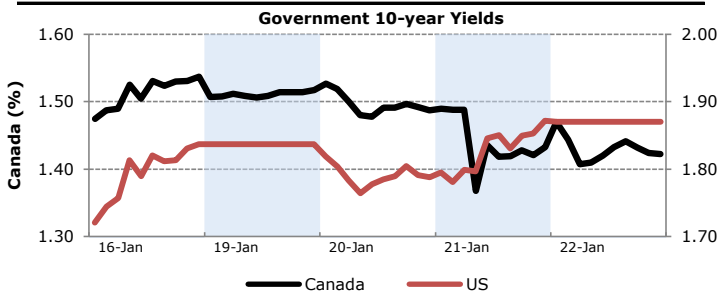
The Daily Roll is written by MFE Candidates Mark Belisle, Radu Dragomir and Kathleen Glofcheskie in partnership with the Rotman Finance Association. Please email [dailyroll@economics.utoronto.ca](mailto:dailyroll@economics.utoronto.ca) to subscribe/unsubscribe.

#### Today's Major Economic Releases

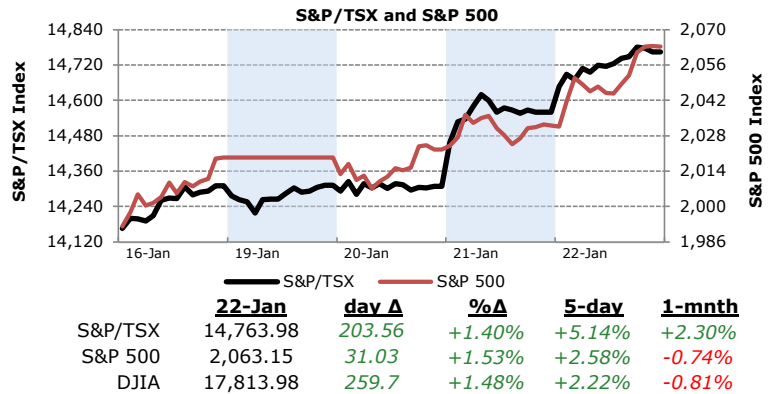
United States	Period	Survey	Actual	Prior
Leading Indicators		0.4%	--	0.6%
Existing Home Sales		5.08M	--	4.93M

Canada	Period	Survey	Actual	Prior
BOC CPI Core (YoY)		2.3%	--	2.1%
Retail Sales (MoM)		-0.2%	--	0%
Consumer Price Index		1.6%	--	2%

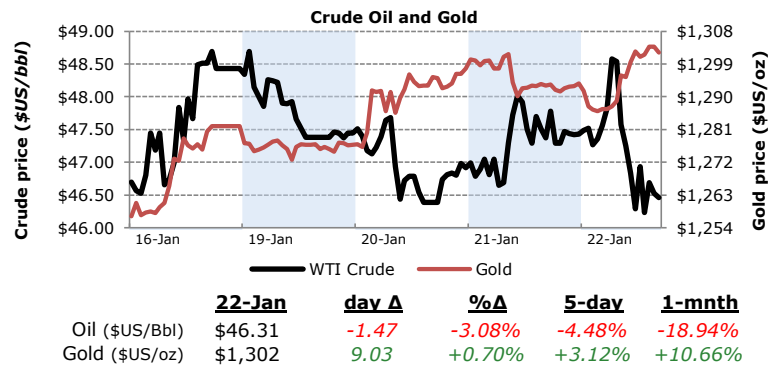
#### Interest Rates



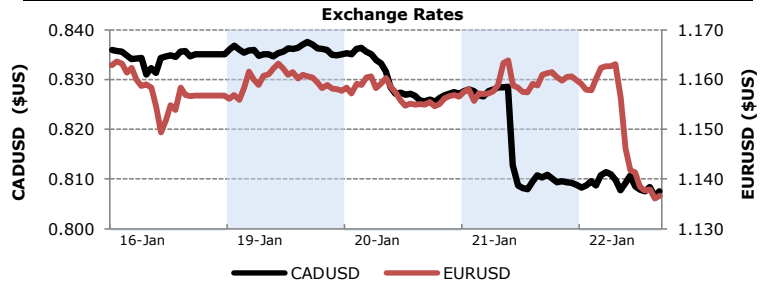
#### Equities



#### Commodities



#### Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	22-Jan	day Δ	Historical levels		
			-5 days	-1 mnth	-1 year
USDCAD	\$1.238	+0.004	1.196	1.160	1.109
EURUSD	\$1.137	-0.024	1.163	1.223	1.355
USDJPY	¥118.49	+0.520	116.170	119.50	104.52

Government 10-year Yields

	22-Jan	day Δ	Historical levels		
			-1 mnth	-3 mnths	-1 year
Canada	1.42%	-0.011%	1.90%	2.01%	2.49%
United States	1.86%	-0.009%	2.26%	2.27%	2.87%

#### 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.

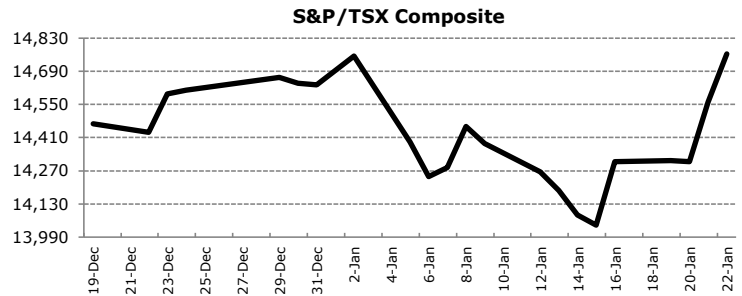
<http://www.rotmanfinanceassociation.com>

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	<b>22-Jan</b>	<b>day Δ</b>	<b>%Δ</b>
<b>S&amp;P/TSX</b>	14,763.98	203.56	+1.40%
<b>Trailing S&amp;P/TSX</b>			
5-day	+5.14%	+5.62%	
1-month	+2.30%	+2.37%	
3-months	+3.16%	+4.47%	
6-months	-3.60%	-1.98%	
12-months	+5.55%	+7.34%	



### TSX Sector Returns

	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
C. Discretionary	+1.99%	+4.24%	+0.88%	+23.71%
C. Staples	+1.74%	+2.42%	+0.89%	+40.94%
Energy	+0.88%	+6.05%	-3.80%	-22.60%
Financials	+0.78%	+2.63%	-4.37%	+2.14%
Healthcare	+1.22%	+5.79%	+8.36%	+14.42%
Info Tech	+1.80%	+4.48%	+4.72%	+28.55%
Industrials	+1.75%	+5.32%	+1.07%	+16.28%
Materials	+0.81%	+9.16%	+19.33%	+0.34%
Metals & Mining	-0.08%	+15.27%	-2.13%	-25.74%
Telecom	+2.13%	+2.50%	+4.06%	+11.73%
Utilities	+1.16%	+1.72%	+6.16%	+14.56%

### TSX Top Performers

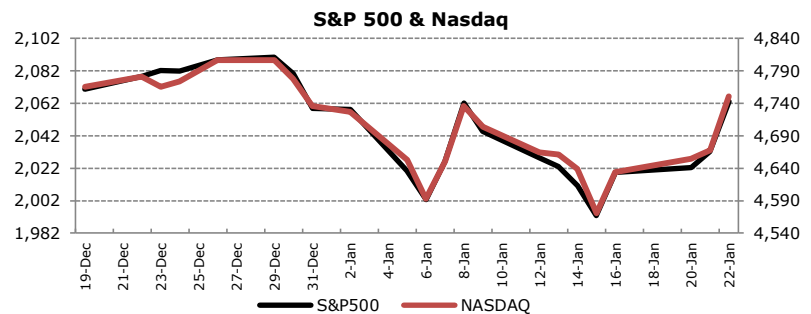
<i>Ranked by 1-day</i>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Oceanagold Corp	+7.20%	+25.22%	+52.97%	+45.13%
Blackberry Ltd	+6.61%	+8.11%	+5.07%	+9.20%
Agrium Inc	+5.60%	+13.71%	+19.69%	+29.34%
West Fraser Timber Co Ltd	+5.30%	+7.68%	+8.39%	+14.48%
Major Drilling Group Intl	+4.98%	+19.60%	+18.73%	-21.33%

### TSX Worst Performers

<i>Ranked by 1-day</i>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Alamos Gold Inc	-9.99%	-7.22%	+8.57%	-20.55%
Pretium Resources Inc	-6.48%	-5.07%	+39.26%	+20.50%
Canexus Corp	-5.81%	+0.00%	-23.10%	-58.25%
Lightstream Resources Ltd	-5.38%	-13.73%	-27.87%	-85.57%
Torc Oil & Gas Ltd	-5.18%	+9.64%	-2.59%	-28.07%

### US Indices

<i>Trailing</i>	<b>S&amp;P 500</b>	<b>DJIA</b>	<b>Nasdaq</b>
22-Jan	2,063.15	17,813.98	4,750.40
1-day	+1.53%	+1.48%	+1.78%
5-day	+2.58%	+2.22%	+2.39%
1-month	-0.74%	-0.81%	-0.65%
3-months	+7.06%	+8.22%	+8.39%
6-months	+4.01%	+4.09%	+6.61%
12-months	+11.83%	+8.80%	+11.96%



### S&P 500 Sector Returns

	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
C. Discretionary	+1.90%	+1.92%	-0.78%	+8.96%
C. Staples	+1.08%	+2.69%	+2.10%	+18.95%
Energy	+0.58%	+4.51%	-2.97%	-10.38%
Financials	+2.45%	+2.15%	-3.46%	+9.33%
Healthcare	+1.27%	+2.14%	+2.19%	+24.20%
Info Tech	+1.95%	+2.36%	-1.74%	+17.37%
Industrials	+1.63%	+3.26%	-1.40%	+7.85%
Materials	+1.30%	+3.97%	+0.23%	+6.59%
Telecom	-0.55%	+1.71%	+0.11%	+3.77%
Utilities	-0.44%	+2.39%	+4.24%	+27.19%

### DJIA Top Performers

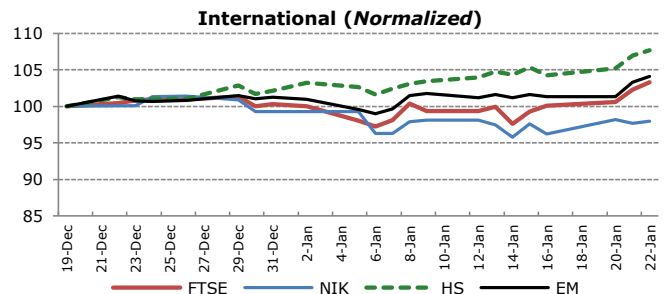
<i>Ranked by 1-day</i>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Unitedhealth Group Inc	+4.14%	+10.18%	+10.49%	+55.11%
Jpmorgan Chase & Co	+3.04%	+1.37%	-7.02%	+0.00%
Travelers Cos Inc/The	+3.01%	+4.24%	+1.75%	+27.92%

### DJIA Worst Performers

<i>Ranked by 1-day</i>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
American Express Co	-3.76%	-3.10%	-9.88%	-7.42%
Verizon Communications Ir	-0.93%	+1.77%	+0.61%	+0.99%
At&T Inc	-0.62%	+1.38%	-0.18%	+1.35%

### International Markets

<i>Trailing</i>	<b>FTSE 100</b>	<b>Nikkei</b>	<b>Hang Seng</b>	<b>MSCI EM</b>
Last Close	6,796.63	17,329.02	24,522.63	983.53
1-day	+1.02%	+0.28%	+0.70%	+0.76%
5-day	+4.58%	+1.29%	+0.71%	+2.91%
1-month	+3.34%	-1.74%	+4.76%	+2.71%
3-months	+6.20%	+14.04%	+4.78%	-0.36%
6-months	+0.02%	+12.94%	+3.11%	-8.46%
12-months	-0.44%	+9.53%	+6.24%	+0.72%



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### Nymex WTI Crude Oil

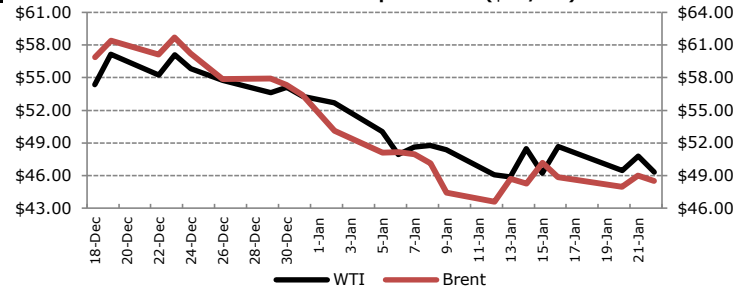
(\$US/Bbl)	22-Jan	day Δ	%Δ	5-day	1-mnth
Prompt	\$46.31	-\$1.47	-3.08%	-4.48%	-18.94%
Cal 15	\$50.02	-\$1.03	-2.01%	-3.99%	-22.27%
Cal 16	\$56.57	-\$0.42	-0.74%	-3.04%	-15.70%

(\$US/bbl)	Q2-15	Q3-15	Q4-15	Q1-16	2016
Consensus Forecast	\$57.75	\$65.00	\$72.00	\$72.00	\$75.00
Current Forward	\$47.88	\$50.62	\$52.78	\$54.43	\$56.57

### Inventory Levels (as of Jan-16)

(Mbbbls)	Current	Week Δ	Last Yr	5 Yr. Avg
Crude Oil	397,853	+10,071	337,426	319,411
Motor Gas	240,922	+588	214,389	200,481
Distillates	136,579	-3,272	171,756	140,851

### Crude Oil Prompt Contract (\$US/Bbl)



### UK Brent Crude Oil

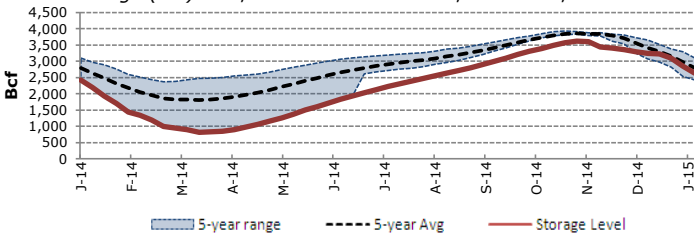
(\$US/Bbl)	22-Jan	day Δ	%Δ	5-day	1-mnth
Prompt	\$48.52	-\$0.51	-1.05%	+0.52%	-20.95%

### Nymex Natural Gas

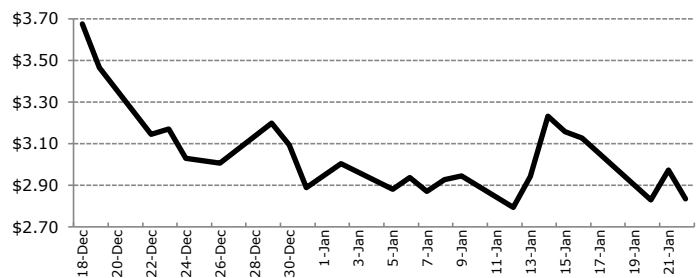
(\$US/MMbtu)	22-Jan	day Δ	%Δ	5-day	1-mnth
Prompt	\$2.84	-\$0.14	-4.67%	-12.31%	-18.16%
Feb15-Mar15	\$2.84	-\$0.10	-3.38%	-10.22%	-24.21%
Apr15-Oct15	\$2.91	-\$0.07	-2.47%	-8.22%	-21.48%
Nov15-Mar16	\$3.31	-\$0.05	-1.41%	-5.08%	-14.32%
Apr16-Oct16	\$3.30	-\$0.03	-0.97%	-3.14%	-13.73%

### Inventory Levels (as of Jan-16)

	Current	Week Δ	Last Yr	5 Yr. Avg
US Storage (Bcf)	2,637	-216	2,423	2,790



### Nat Gas Prompt (\$US/MMbtu)



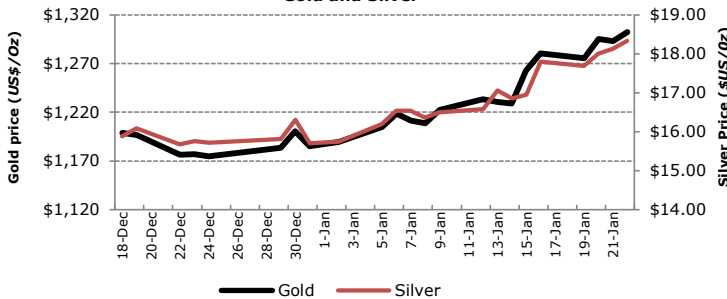
### Alberta Natural Gas

(\$CAD/GJ)	22-Jan	day Δ	%Δ
AECO Feb-15	\$2.59	-\$0.00	-0.1%

### Precious Metals

\$US/oz	22-Jan	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,302.13	+\$9.03	+0.7%	+3.1%	+10.7%	+7.4%
Silver	\$18.34	+\$0.20	+1.1%	+8.2%	+16.4%	+7.3%
Platinum	\$1,286	+\$12.25	+1.0%	+2.1%	+7.8%	+1.9%

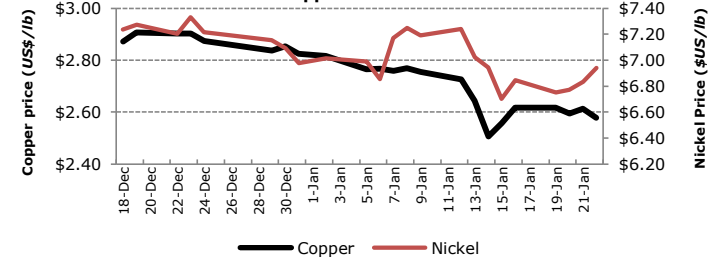
### Gold and Silver



### Industrial Metals

\$US/lb	22-Jan	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$2.58	-\$0.03	-1.3%	+0.8%	-11.1%	-16.9%
Nickel	\$6.94	+\$0.10	+1.5%	+3.5%	-5.3%	-2.0%
Zinc	\$1.03	-\$0.00	-0.3%	+3.2%	-4.1%	-7.3%
Aluminum	\$0.89	+\$0.00	0.0%	+3.5%	-2.2%	-7.3%
Uranium	\$36.75	+\$0.25	+0.7%	+0.7%	+1.0%	-0.7%

### Copper and Nickel



### Agriculture & Other

	22-Jan	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$3.84	-\$0.04	-1.1%	+1.0%	-5.9%
Wheat (\$US/bu)	\$5.34	-\$0.03	-0.6%	+0.2%	-12.7%
Soybeans (\$US/bu)	\$9.77	-\$0.07	-0.7%	-1.4%	-5.7%
Rough Rice (\$US/cwt)	\$11.16	-\$0.21	-1.8%	-1.5%	-9.6%
Sugar #11 (¢US/lb)	¢15.91	-\$0.01	-0.1%	+3.6%	+7.8%
Lean Hogs (¢US/lb)	¢72.88	¢-1.35	-1.8%	-7.0%	-12.9%
Live Cattle (¢US/lb)	¢151.80	¢-0.07	-0.0%	-0.7%	-4.8%
Cotton No.2 (\$US/lb)	\$0.58	-\$0.00	-0.4%	-2.9%	-6.5%
Lumber (\$US/Mbft)	\$305.80	-\$2.90	-0.9%	-2.8%	-9.0%

### Commodity ETFs

\$CAD	22-Jan	day Δ	%Δ	5-day	1-mnth
HBP Crude Oil U	\$8.07	-\$0.36	-4.3%	-1.6%	-39.0%
HBP Nat Gas U	\$4.67	-\$0.35	-7.0%	-19.2%	-37.3%
iShares Gold ETF	\$11.63	+\$0.07	+0.6%	+3.5%	+9.7%

\$USD	22-Jan	day Δ	%Δ	5-day	1-mnth
US Crude Oil	\$17.41	-\$0.36	-2.0%	-4.71%	-19.2%
US Nat Gas	\$14.55	-\$0.47	-3.1%	-12.77%	-10.4%
PSDB Agriculture	\$23.73	-\$0.11	-0.5%	-2.59%	-6.5%
PSDB Base Metals	\$15.33	+\$0.01	+0.1%	3.91%	-4.2%

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## Interest Rates

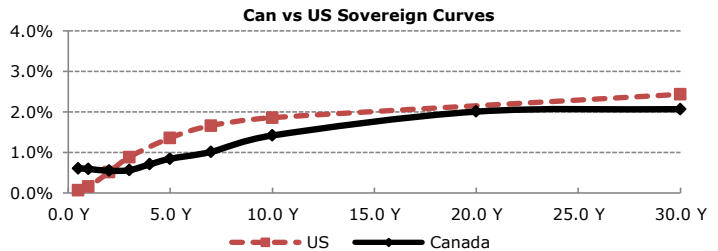
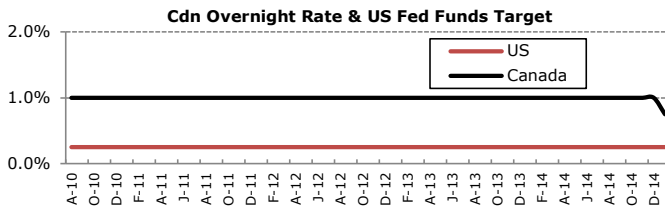
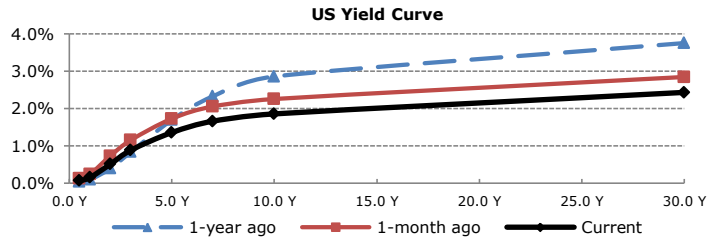
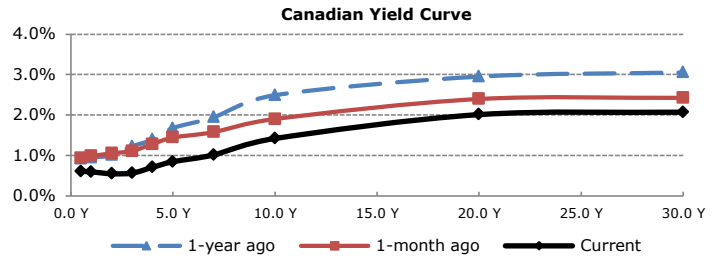
### Canadian yield curve

	<b>22-Jan</b>	<b>day Δ</b>	<i>Historical Levels</i>		
			<b>-1 mnth</b>	<b>-3 mnths</b>	<b>-1 year</b>
3-mnth	0.62%	-	0.90%	0.89%	0.90%
6-mnth	0.61%	-	0.93%	0.92%	0.92%
12-mnth	0.60%	+0.01%	0.99%	0.97%	0.95%
2-year	0.55%	-0.00%	1.06%	1.01%	1.01%
5-year	0.85%	-0.02%	1.44%	1.50%	1.68%
10-year	1.42%	-0.01%	1.90%	2.01%	2.49%
20-year	2.01%	+0.02%	2.40%	2.53%	2.95%
30-year	2.07%	+0.02%	2.43%	2.56%	3.05%

### US yield curve

	<b>22-Jan</b>	<b>day Δ</b>	<i>Historical Levels</i>		
			<b>-1 mnth</b>	<b>-3 mnths</b>	<b>-1 year</b>
3-mnth	0.02%	-0.01%	0.01%	0.01%	0.03%
6-mnth	0.07%	-	0.14%	0.05%	0.06%
12-mnth	0.16%	-	0.24%	0.09%	0.10%
2-year	0.52%	+0.01%	0.74%	0.39%	0.40%
5-year	1.36%	+0.01%	1.74%	1.50%	1.70%
10-year	1.86%	-0.01%	2.26%	2.27%	2.87%
30-year	2.44%	-0.02%	2.85%	3.04%	3.76%

	<b>Current</b>	<b>Prior</b>	<b>Next Meeting</b>	<b>Survey</b>
Cdn Overnight	0.75%	1.00%	4-Mar-15	0.75%
US Fed Funds	0.25%	0.25%	28-Jan-15	0.25%



## Foreign Exchange

(USDCAD implies 1-USD to CAD)

<i>Spot</i>	<b>22-Jan</b>	<b>day Δ</b>	<i>Historical Levels</i>			<i>Spot</i>	<b>22-Jan</b>	<b>day Δ</b>	<i>Historical Levels</i>		
			<b>-1 mnth</b>	<b>-3 mnths</b>	<b>-1 year</b>				<b>-1 mnth</b>	<b>-3 mnths</b>	<b>-1 year</b>
USDCAD	\$1.238	+0.004	1.160	1.122	1.109	CADJPY	¥95.70	+0.106	102.96	95.36	94.26
EURUSD	\$1.137	-0.024	1.223	1.272	1.355	CADAUD	\$1.006	+0.004	1.058	1.015	1.019
USDJPY	¥118.49	+0.520	119.50	107.00	104.52	GBPCAD	£1.859	-0.010	1.813	1.808	1.838
GBPUSD	\$1.501	-0.013	1.563	1.611	1.658	EURJPY	¥134.67	-2.290	146.15	136.06	141.60
AUDUSD	\$0.803	-0.006	0.813	0.878	0.885	EURAUD	\$1.42	-0.020	1.50	1.45	1.53

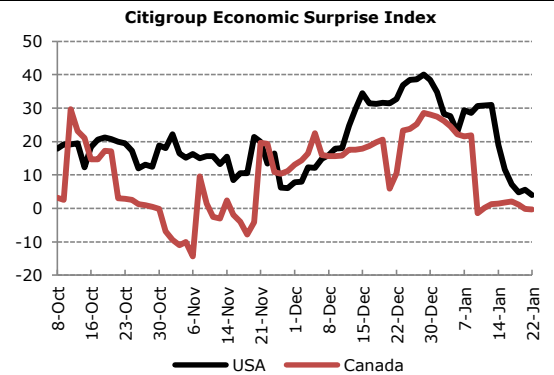
## Economic Releases

### United States

		<b>Period</b>	<b>Survey</b>	<b>Actual</b>	<b>Prior</b>
Wed, Jan 21	Housing Starts		1040K	1089K	1028K
Thu, Jan 22	Continuing Claims		2400K	2443K	2424K
Thu, Jan 22	Initial Jobless Claims		300K	307K	316K
Fri, Jan 23	Leading Indicators		0.4%	--	0.6%
Fri, Jan 23	Existing Home Sales		5.08M	--	4.93M

### Canada

		<b>Period</b>	<b>Survey</b>	<b>Actual</b>	<b>Prior</b>
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

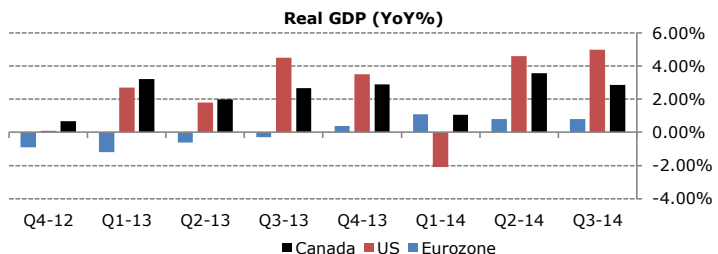
<b>Canada</b>	<b>Q4-13</b>	<b>Q1-14</b>	<b>Q2-14</b>	<b>Q3-14</b>	<b>2013E</b>
Real GDP	2.90%	1.05%	3.59%	2.85%	1.80%
CPI	0.93%	1.37%	2.23%	2.07%	0.90%
Unemployment	7.20%	6.90%	7.10%	6.80%	7.05%

<b>US</b>	<b>Q4-13</b>	<b>Q1-14</b>	<b>Q2-14</b>	<b>Q3-14</b>	<b>2013E</b>
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%

<b>China</b>	<b>Q4-13</b>	<b>Q1-14</b>	<b>Q2-14</b>	<b>Q3-14</b>	<b>2013E</b>
Real GDP	7.60%	7.40%	7.50%	7.30%	7.70%



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