

### Today's Commentary

Friday marked a mixed end to a news-filled week for North American Markets, with both the Dow and S&P 500 sinking back into losing territory for 2015, while the TSX made its highest weekly return in six weeks, closing 3.3% higher as BOC news sparked confidence in Canadian Markets. The Dow lost 141.38 (0.79%) to 17,672.60, with the S&P 500 shedding 11.33 (0.55%) to 2,051.82, as markets considered earnings, energy costs, and economic data released this week. The TSX gained 15.37 (0.10%) and closed the week at 14,779.35 with six of its ten main sectors marking gains. Oil was turbulent on Friday, as news of King Abdullah of Saudi Arabia sparked speculation of a Saudi policy change, before closing the week down \$0.72 to \$45.59 a barrel. The Fed meets this Tuesday, though Morgan Stanley economists expect it is "too soon" for the Fed to change its stance regarding the "evolving outlook for inflation and inflation expectations".

Positive Canadian November retail sales and December inflation data put a slight bid into the Canadian dollar on Friday, as the loonie rose to 80.69 cents US compared to Thursday's close of 80.62. Retail sales climbed 0.4% m/m above Street consensus of a 0.1% rise, possibly suggesting that lower gasoline prices encouraged holiday shoppers. In a similar vein, Canadian inflation was surprisingly upbeat to close 2014, as December core inflation (stripped of the impact of energy prices) actually rose 2.2% y/y, above consensus and higher than November's reading of 2.1% due to the effects on food prices of a weakening loonie. Headline inflation dipped to 1.5% y/y in December versus November's 2% due to falling oil prices and economists at CIBC forecast that the headline number could fall towards 0% by mid-2015. Further softening in crude oil prices and increasing slack in the labour market due to dislocations in the energy sector suggest that Friday's optimistic data is more of a rear-view image of the economy.

The Greek elections concluded Sunday with a victory for the Syriza party. The Syriza party won the election through its dedication to ending austerity, after years of fiscal tightening, job losses and hardships. Alexis Tsipras, the new Greek Prime Minister, will now face the difficulty of writing down Greek debt, while persuading creditors to continue giving aid. He plans to do this without asking private bondholders to take losses. Following the news, the euro dropped 0.3% to \$1.1169 when markets opened in Tokyo, the lowest in 11-years. Investors are currently awaiting the likely drop in the value of Greek bonds on Monday when trading begins. According to Lena Komileva, London-based chief economist at G Plus Economics Ltd., "The uncertainty surrounding Greece's future in the euro is unlikely to go away in a hurry. It will be a bumpy ride for euro-zone high-yield bonds."

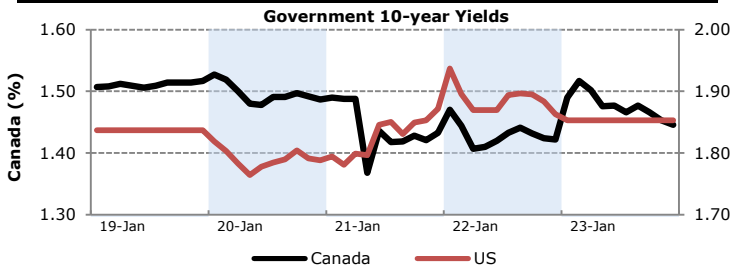
The Daily Roll is written by MFE Candidates Mark Belisle, Radu Dragomir and Kathleen Glofcheskie in partnership with the Rotman Finance Association. Please email [dailyroll@economics.utoronto.ca](mailto:dailyroll@economics.utoronto.ca) to subscribe/unsubscribe.

### Today's Major Economic Releases

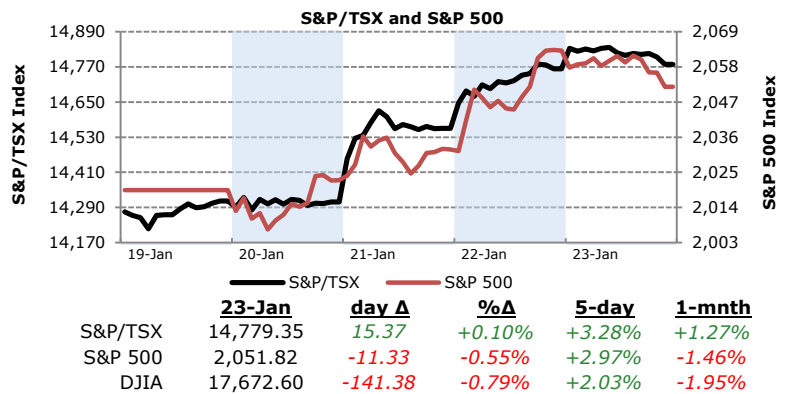
United States	Period	Survey	Actual	Prior
None Scheduled				

Canada	Period	Survey	Actual	Prior
None Scheduled				

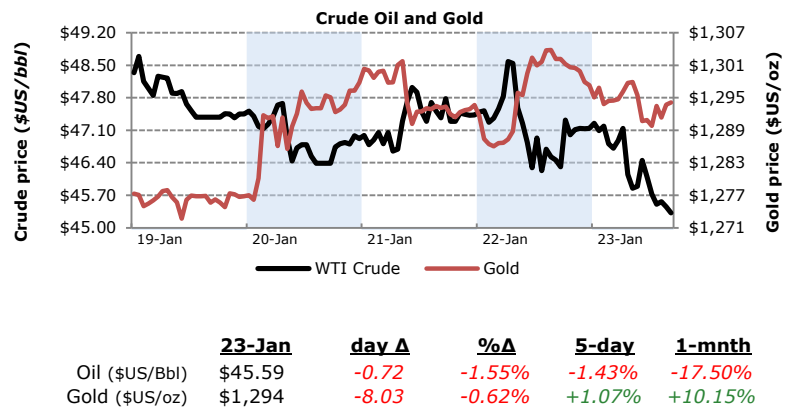
### Interest Rates



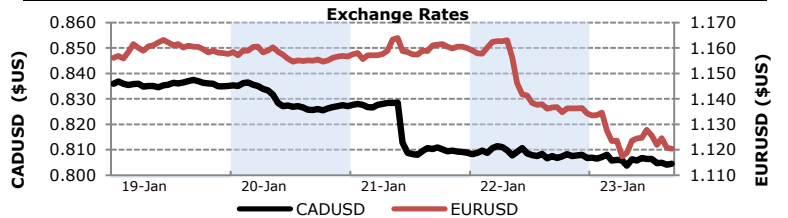
### Equities



### Commodities



### Foreign Exchange



(USDCAD implies \$1-USD to CAD)

	Spot	23-Jan	day Δ	Historical levels		
				-5 days	-1 mnth	-1 year
USDCAD	\$1.242	\$1.242	+0.004	1.198	0.000	1.110
EURUSD	\$1.120	\$1.120	-0.016	1.157		1.370
USDJPY	¥117.77	¥117.77	-0.720	117.510	120.05	103.26

Government 10-year Yields

	23-Jan	day Δ	Historical levels		
			-1 mnth	-3 mnths	-1 year
Canada	1.45%	0.025%	1.91%	2.01%	2.41%
United States	1.80%	-0.066%	2.26%	2.27%	2.78%

### 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.

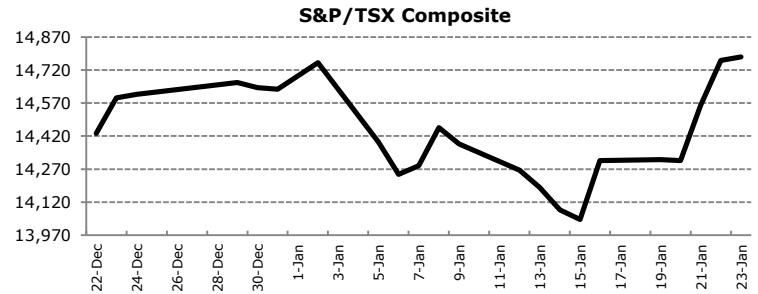
<http://www.rotmanfinanceassociation.com>

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	<b>23-Jan</b>	<b>day Δ</b>	<b>%Δ</b>
<b>S&amp;P/TSX</b>	14,779.35	15.37	+0.10%
<b>Trailing S&amp;P/TSX</b>			
5-day		+3.28%	+3.60%
1-month		+1.27%	+1.27%
3-months		+2.02%	+3.09%
6-months		-4.00%	-2.46%
12-months		+6.07%	+7.80%



### TSX Sector Returns

	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
C. Discretionary	-0.03%	+3.44%	+0.11%	+24.13%
C. Staples	+0.87%	+3.63%	+0.02%	+42.94%
Energy	+1.25%	+1.16%	-4.40%	-21.33%
Financials	+0.76%	+3.06%	-4.75%	+4.02%
Healthcare	+2.39%	+5.99%	+11.45%	+17.19%
Info Tech	+1.10%	+4.14%	+4.64%	+31.23%
Industrials	-0.99%	+3.42%	-1.43%	+15.56%
Materials	-2.52%	+3.28%	+16.17%	-3.16%
Metals & Mining	-4.52%	+3.83%	-9.10%	-27.98%
Telecom	-0.06%	+0.17%	+3.70%	+11.82%
Utilities	+0.32%	+0.58%	+5.65%	+15.07%

### TSX Top Performers

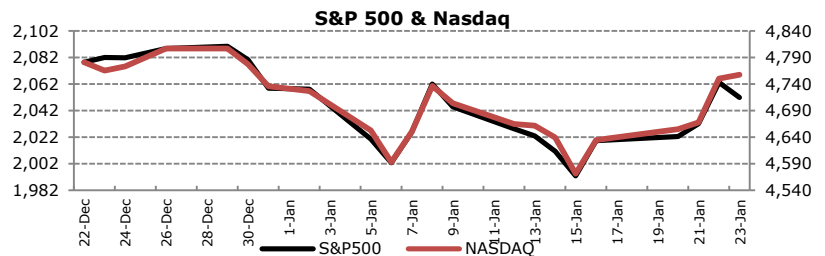
	<b>Ranked by 1-day</b>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Trilogy Energy Corp		+13.83%	+0.63%	-25.00%	-76.10%
Paramount Resources Ltd -		+8.58%	+8.70%	-0.52%	-32.50%
Extencare Inc		+6.82%	+6.49%	+5.67%	-3.09%
Torc Oil & Gas Ltd		+5.73%	+3.12%	-0.75%	-24.16%
Canadian Energy Services		+5.28%	+5.86%	-8.54%	-22.17%

### TSX Worst Performers

	<b>Ranked by 1-day</b>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Alamos Gold Inc		-14.19%	-23.39%	-3.85%	-27.26%
First Quantum Minerals Lt		-10.46%	-4.59%	-21.30%	-37.43%
Eldorado Gold Corp		-9.74%	-20.54%	+4.76%	-3.83%
Iamgold Corp		-9.33%	-4.11%	+28.21%	-15.05%
Capstone Mining Corp		-8.21%	-6.11%	-32.42%	-60.45%

### US Indices

	<b>S&amp;P 500</b>	<b>DJIA</b>	<b>Nasdaq</b>
<b>Trailing</b>			
23-Jan	2,051.82	17,672.60	4,757.88
1-day	-0.55%	-0.79%	+0.16%
5-day	+2.97%	+2.03%	+4.09%
1-month	-1.46%	-1.95%	-0.16%
3-months	+5.18%	+5.96%	+6.85%
6-months	+3.26%	+3.43%	+6.35%
12-months	+12.22%	+9.11%	+12.78%



	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
C. Discretionary	-0.16%	+3.04%	-1.52%	+9.55%
C. Staples	-1.06%	+1.45%	+0.27%	+18.80%
Energy	-0.90%	+4.84%	-5.04%	-10.18%
Financials	-1.01%	+2.43%	-4.98%	+10.07%
Healthcare	-0.47%	+2.76%	+4.00%	+24.52%
Info Tech	+0.17%	+4.05%	-1.85%	+17.99%
Industrials	-0.78%	+3.05%	-2.61%	+8.25%
Materials	-1.60%	+2.44%	-2.15%	+6.46%
Telecom	-1.19%	+0.51%	-1.46%	+1.50%
Utilities	+0.34%	+2.01%	+4.30%	+28.01%

### DJIA Top Performers

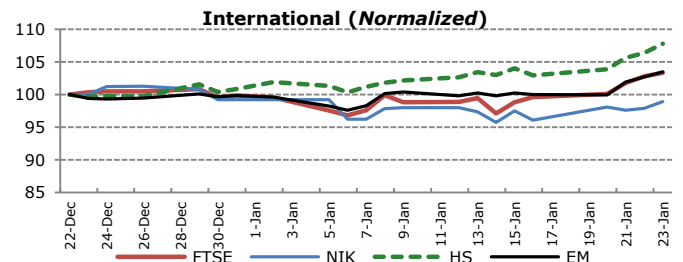
	<b>Ranked by 1-day</b>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
General Electric Co		+0.82%	+3.82%	-5.41%	-5.19%
Nike Inc -Cl B		+0.32%	+3.61%	+0.20%	+32.22%
Intl Business Machines Co		+0.31%	+0.84%	-3.93%	-14.70%

### DJIA Worst Performers

	<b>Ranked by 1-day</b>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Exxon Mobil Corp		-2.13%	+2.17%	-3.91%	-6.27%
Chevron Corp		-1.90%	+4.07%	-6.23%	-9.75%
Du Pont (E.I.) De Nemours		-1.73%	+0.87%	-1.86%	+19.50%

### International Markets

	<b>FTSE 100</b>	<b>Nikkei</b>	<b>Hang Seng</b>	<b>MSCI EM</b>
<b>Trailing</b>				
Last Close	6,832.83	17,511.75	24,850.45	990.89
5-day	+4.31%	+3.84%	+3.10%	+3.22%
1-month	+3.56%	-0.70%	+6.50%	+4.09%
3-months	+6.44%	+15.67%	+6.50%	+0.93%
6-months	+0.51%	+14.24%	+3.67%	-8.06%
12-months	+0.88%	+11.57%	+9.31%	+2.79%



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### Nymex WTI Crude Oil

(\$US/Bbl)	23-Jan	day Δ	%Δ	5-day	1-mnth
Prompt	\$45.59	-\$0.72	-1.55%	-1.43%	-17.50%
Cal 15	\$49.66	-\$0.36	-0.72%	-0.92%	-23.62%
Cal 16	\$56.75	+\$0.18	+0.32%	+0.43%	-16.02%

(\$US/bbl)	Q2-15	Q3-15	Q4-15	Q1-16	2016
Consensus Forecast	\$57.50	\$65.00	\$72.00	\$72.00	\$75.00
Current Forward	\$47.32	\$50.32	\$52.68	\$54.51	\$56.75

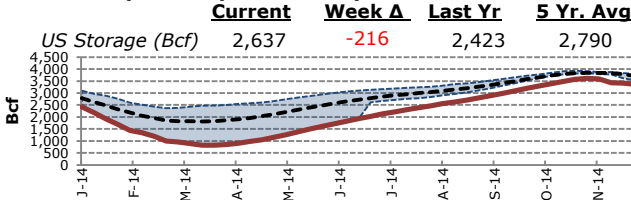
### Inventory Levels (as of Jan-16)

(MMbbls)	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

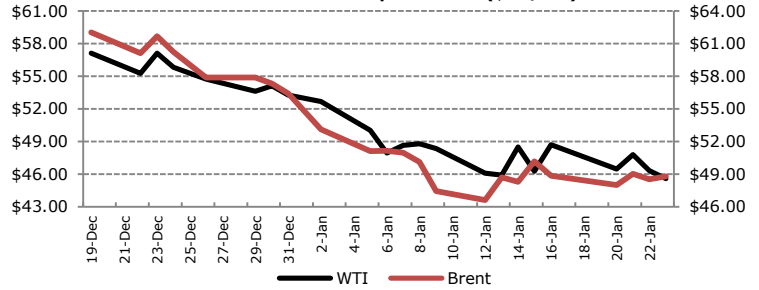
### Nymex Natural Gas

(\$US/MMbtu)	23-Jan	day Δ	%Δ	5-day	1-mnth
Prompt	\$2.99	+\$0.15	+5.33%	-5.45%	-5.03%
Feb15-Mar15	\$2.96	+\$0.12	+4.11%	-4.11%	-21.70%
Apr15-Oct15	\$3.01	+\$0.10	+3.28%	-2.78%	-19.43%
Nov15-Mar16	\$3.37	+\$0.07	+1.98%	-1.44%	-13.18%
Apr16-Oct16	\$3.34	+\$0.04	+1.24%	-0.19%	-13.22%

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



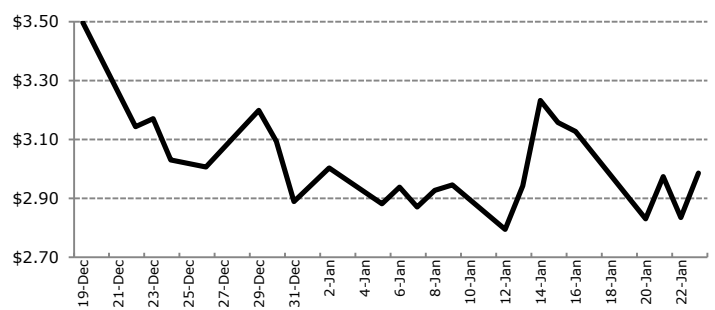
### Crude Oil Prompt Contract (\$US/Bbl)



### UK Brent Crude Oil

(\$US/Bbl)	23-Jan	day Δ	%Δ	5-day	1-mnth
Prompt	\$48.79	+\$0.27	+0.55%	-2.75%	-18.83%

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



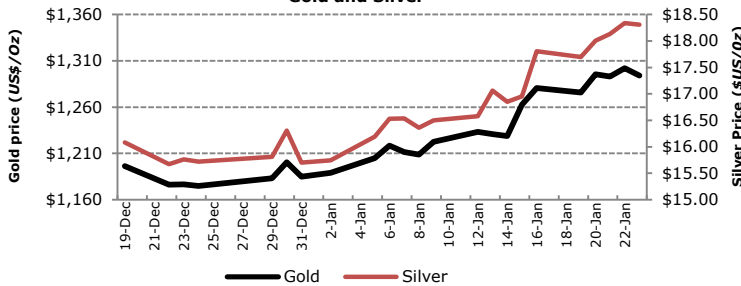
### Alberta Natural Gas

(\$CAD/GJ)	23-Jan	day Δ	%Δ
AECO Feb-15	\$2.75	+\$0.16	+6.1%

### Precious Metals

\$US/oz	23-Jan	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,294.10	-\$8.03	-0.6%	+1.1%	+10.2%	+8.0%
Silver	\$18.31	-\$0.03	-0.2%	+2.8%	+16.5%	+10.9%
Platinum	\$1,268	-\$17.80	-1.4%	+0.1%	+6.4%	+1.8%

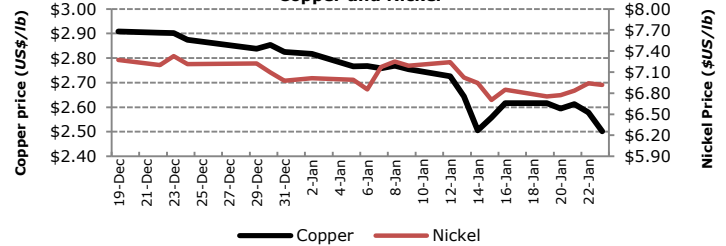
### Gold and Silver



### Industrial Metals

\$US/lb	23-Jan	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$2.50	-\$0.08	-3.0%	-4.4%	-13.0%	-18.3%
Nickel	\$6.92	-\$0.02	-0.3%	+1.0%	-4.2%	-5.5%
Zinc	\$1.06	+\$0.02	+2.4%	+4.8%	-0.8%	-5.6%
Aluminum	\$0.91	+\$0.02	+2.2%	+4.6%	+1.1%	-6.2%
Uranium	\$37.00	+\$0.25	+0.7%	+1.4%	+1.6%	0.0%

### Copper and Nickel



### Agriculture & Other

	23-Jan	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$3.87	+\$0.03	+0.8%	-0.1%	-5.2%
Wheat (\$US/bu)	\$5.30	-\$0.04	-0.7%	-0.5%	-13.3%
Soybeans (\$US/bu)	\$9.73	-\$0.04	-0.4%	-1.9%	-6.0%
Rough Rice (\$US/cwt)	\$11.01	-\$0.15	-1.3%	-2.8%	-10.9%
Sugar #11 (¢US/lb)	¢15.17	-\$0.74	-4.7%	-1.0%	+2.8%
Lean Hogs (¢US/lb)	¢70.65	-\$2.22	-3.1%	-9.0%	-15.6%
Live Cattle (¢US/lb)	¢148.80	-\$3.00	-2.0%	-2.7%	-6.6%
Cotton No.2 (\$US/lb)	\$0.57	-\$0.00	-0.8%	-3.3%	-7.3%
Lumber (\$US/Mbft)	\$311.50	+\$5.70	+1.9%	-0.1%	-7.3%

### Commodity ETFs

\$CAD	23-Jan	day Δ	%Δ	5-day	1-mnth
HBP Crude Oil U	\$7.69	-\$0.38	-4.7%	-14.5%	-36.1%
HBP Nat Gas U	\$4.94	+\$0.27	+5.8%	-10.0%	-21.3%
iShares Gold ETF	\$11.50	-\$0.13	-1.1%	+1.1%	+10.5%

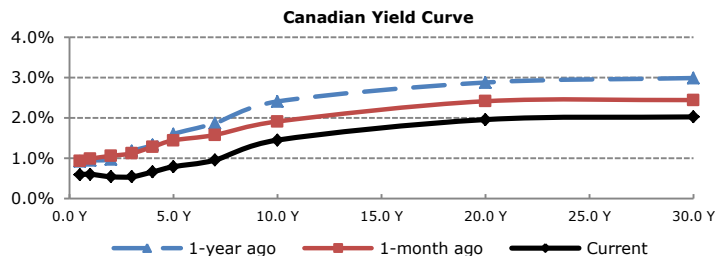
\$USD	23-Jan	day Δ	%Δ	5-day	1-mnth
US Crude Oil	\$17.00	-\$0.41	-2.4%	-2.58%	-19.2%
US Nat Gas	\$14.97	+\$0.42	+2.9%	-7.13%	-4.1%
PSDB Agriculture	\$23.48	-\$0.25	-1.1%	-3.14%	-6.6%
PSDB Base Metals	\$14.91	-\$0.42	-2.7%	0.13%	-6.5%

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## Interest Rates

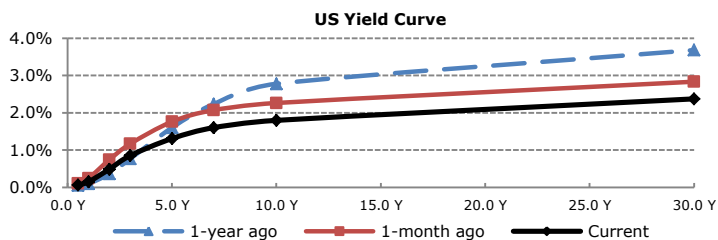
### Canadian yield curve

	<b>23-Jan</b>	<b>day Δ</b>	<i>Historical Levels</i>		
			<b>-1 mnth</b>	<b>-3 mnths</b>	<b>-1 year</b>
3-mnth	0.60%	-	0.90%	0.89%	0.90%
6-mnth	0.59%	-	0.93%	0.92%	0.92%
12-mnth	0.60%	+0.00%	0.99%	0.97%	0.94%
2-year	0.54%	-0.01%	1.06%	1.01%	0.97%
5-year	0.79%	-0.06%	1.44%	1.50%	1.60%
10-year	1.45%	+0.03%	1.91%	2.01%	2.41%
20-year	1.96%	-0.06%	2.41%	2.53%	2.88%
30-year	2.02%	-0.05%	2.44%	2.56%	2.99%



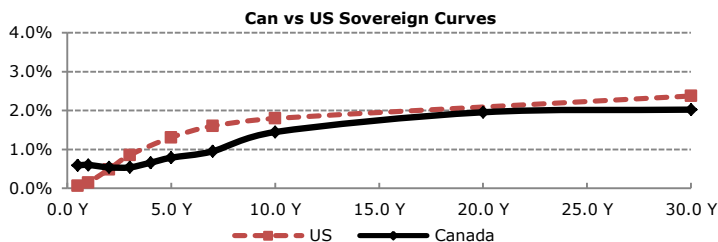
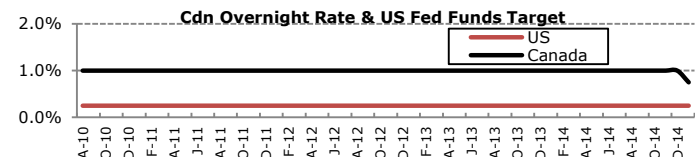
### US yield curve

	<b>23-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%	-	0.00%	0.01%	0.04%
6-mnth	0.07%	-0.01%	0.10%	0.05%	0.05%
12-mnth	0.15%	-0.01%	0.24%	0.09%	0.10%
2-year	0.49%	-0.03%	0.74%	0.39%	0.36%
5-year	1.31%	-0.06%	1.76%	1.50%	1.60%
10-year	1.80%	-0.07%	2.26%	2.27%	2.78%
30-year	2.37%	-0.07%	2.83%	3.04%	3.68%



	<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%
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(USDCAD implies 1-USD to CAD)

	<b>23-Jan</b>	<b>day Δ</b>	<i>Historical Levels</i>		
			<b>-1 mnth</b>	<b>-3 mnths</b>	<b>-1 year</b>
USDCAD	\$1.242	+0.004		1.124	1.110
EURUSD	\$1.120	-0.016		1.265	1.370
USDJPY	¥117.77	-0.720	120.05	107.14	103.26
GBPUSD	\$1.499	-0.002	1.559	1.605	1.664
AUDUSD	\$0.791	-0.011	0.814	0.878	0.877

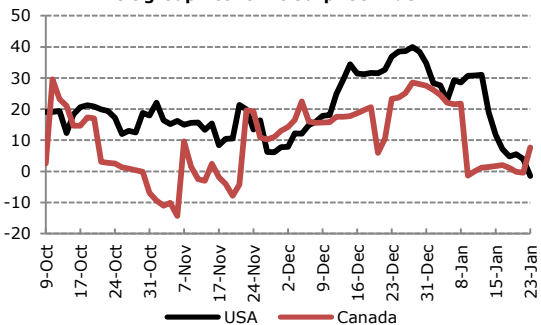
	<b>23-Jan</b>	<b>day Δ</b>	<i>Historical Levels</i>		
			<b>-1 mnth</b>	<b>-3 mnths</b>	<b>-1 year</b>
CADJPY	¥94.83	-0.873	103.23	95.36	93.01
CADAUD	\$1.017	+0.011	1.057	1.014	1.027
GBPCAD	£1.862	+0.003	1.813	1.803	1.847
EURJPY	¥131.95	-2.720	146.82	135.52	141.44
EURAUD	\$1.42	-0.000	1.50	1.44	1.56

## Economic Releases

### United States

	<b>Period</b>	<b>Survey</b>	<b>Actual</b>	<b>Prior</b>
Tue, Jan 27	Durable Goods Orders	0.3%	--	-0.7%
Tue, Jan 27	New Home Sales	450K	--	438K
Tue, Jan 27	Consumer Confidence	96	--	92.6
Thu, Jan 29	Continuing Claims	2400K	--	2443K
Thu, Jan 29	Initial Jobless Claims	300K	--	307K
Fri, Jan 30	GDP QoQ (Annualized)	3.1%	--	0%

### Citigroup Economic Surprise Index



### Canada

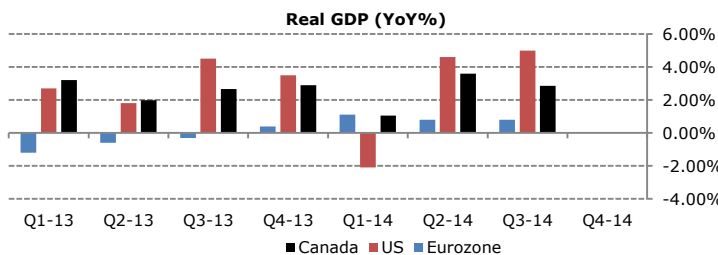
	<b>Period</b>	<b>Survey</b>	<b>Actual</b>	<b>Prior</b>
Fri, Jan 30	GDP MoM	--	--	0.3%

## Economics

	<b>Q1-14</b>	<b>Q2-14</b>	<b>Q3-14</b>	<b>Q4-14</b>	<b>2013E</b>
Canada Real GDP	1.05%	3.59%	2.85%	NA	1.80%
Canada CPI	1.37%	2.23%	2.07%	1.97%	0.90%
Canada Unemployment	6.90%	7.10%	6.80%	6.60%	7.05%

	<b>Q1-14</b>	<b>Q2-14</b>	<b>Q3-14</b>	<b>Q4-14</b>	<b>2013E</b>
US Real GDP	-2.10%	4.60%	5.00%	NA	1.90%
US CPI	2.07%	1.80%	1.27%	1.50%	1.50%
US Unemployment	6.60%	6.10%	5.90%	5.60%	7.40%

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



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