

Today's Commentary

Markets moved little Monday, though were shaky throughout the day as they responded to the anti-austerity Syriza party's victory in Greece rising concerns about stability in the eurozone. The Dow stayed relatively flat, gaining only 6.10 (0.03%) to 17,678.70, while the S&P 500 rose 5.27 (0.26%) to 2,057.09 as investors consider the latest earnings releases. The TSX made gains for the fourth straight session, gaining 18.48 (0.13%) to 14,797.83 with seven of ten main sectors advancing. Gold lost \$12.72 an ounce (0.98%) falling to \$1,281, while WTI ended the day at \$45.15, down 0.44 (0.97%). European markets sank before ending the day in the black, as they responded to the election in Greece.

The FOMC begins their first meeting of 2015 tomorrow; a Bloomberg News survey of economists shows that a majority believe the Fed will leave policy unchanged and will begin raising rates mid-year as anticipated in their December meeting. Since the last Fed meeting, oil has crashed a further 20% and 10-year US government bond yields have tumbled to 1.83% from 2.14%. Global growth for 2015 has been revised downwards by the IMF this month to 3.5% from 3.8%. It remains to be seen whether the US can begin a monetary tightening process in the midst of increasingly accommodative monetary policy globally. Lower oil prices has curtailed inflation expectations and the global supply glut looks like a long-term theme. In order to warrant raising rates, Yellen claims that central bankers have to be "reasonably confident" that inflation moves back to its 2% target over time, a level it has not yet reached for 31 consecutive months.

Standard & Poor's (S&P) has cut the Russian foreign-currency credit rating from BBB- to BB+, which is the highest level of speculative or "junk" rating, as Russian policy makers struggle with low growth. This is the first time in over 10 years that it has been below investment grade. S&P made this decision based on the negative outlook for Russia, as the country is close to recession due to international sanctions and plummeting oil prices. They also stated they "believe that Russia's financial system is weakening and therefore limiting the central bank of Russia's ability to transmit monetary policy. The central bank faces increasingly difficult monetary policy decisions while also trying to support sustainable GDP growth". To fight the current economic crisis, Russia will be implementing an anti-crisis program with an estimated cost of 1.4 trillion rubles. The Ruble lost 6.6% to 68.7990/USD when markets closed Monday night.

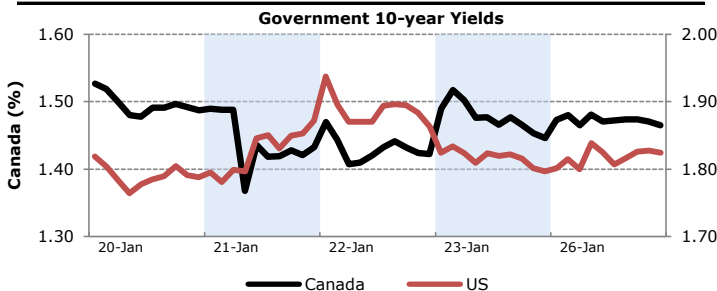
The Daily Roll is written by MFE Candidates Mark Belisle, Radu Dragomir and Kathleen Glofcheskie in partnership with the Rotman Finance Association. Please email dailyroll@economics.utoronto.ca to subscribe/unsubscribe.

Today's Major Economic Releases

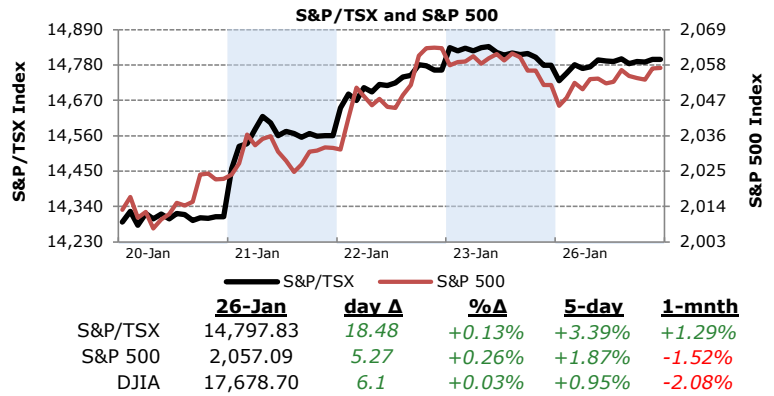
United States	Period	Survey	Actual	Prior
Durable Goods Orders		0.3%	--	-0.7%
New Home Sales		450K	--	438K
Consumer Confidence		95.5	--	92.6

Canada	Period	Survey	Actual	Prior
None Scheduled				

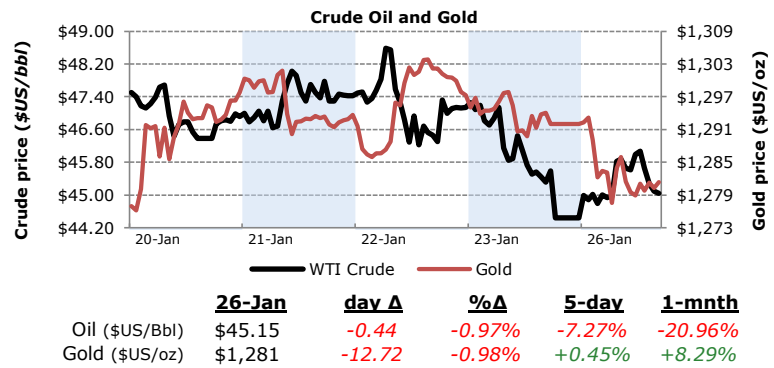
Interest Rates



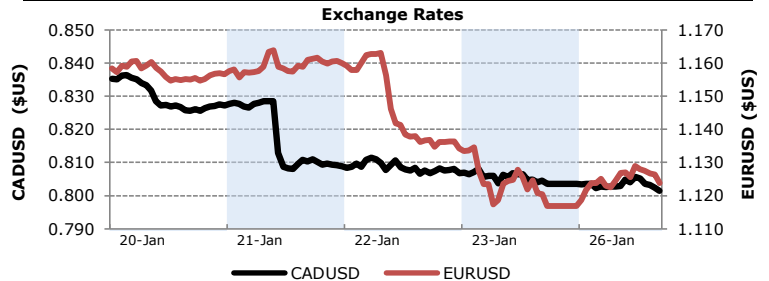
Equities



Commodities



Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	26-Jan	day Δ	Historical levels		
			-5 days	-1 mnth	-1 year
USDCAD	\$1.247	+0.005	1.194	1.162	1.109
EURUSD	\$1.124	+0.003	1.161	1.217	1.368
USDJPY	¥118.46	+0.690	117.560	120.69	102.31

Government 10-year Yields

	26-Jan	day Δ	Historical levels		
			-1 mnth	-3 mnths	-1 year
Canada	1.47%	0.018%	1.91%	2.03%	2.40%
United States	1.82%	0.027%	2.25%	2.30%	2.72%

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.

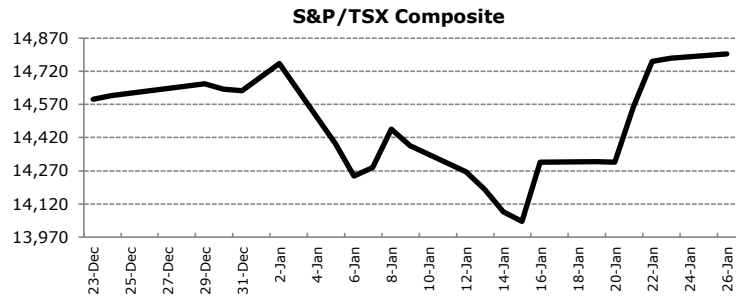
<http://www.rotmanfinanceassociation.com>

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	26-Jan	day Δ	%Δ
S&P/TSX	14,797.83	18.48	+0.13%
Trailing S&P/TSX			
5-day		+3.39%	+3.77%
1-month		+1.29%	+1.34%
3-months		+1.75%	+2.73%
6-months		-4.25%	-2.86%
12-months		+7.87%	+9.77%



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+0.08%	+3.04%	-0.16%	+26.52%
C. Staples	-0.30%	+3.01%	-0.03%	+44.21%
Energy	+0.33%	+3.16%	-3.15%	-19.97%
Financials	-0.30%	+2.41%	-5.12%	+5.41%
Healthcare	+0.08%	+5.10%	+11.37%	+19.40%
Info Tech	+0.10%	+3.42%	+5.15%	+30.74%
Industrials	+0.99%	+3.74%	-0.78%	+19.75%
Materials	+0.95%	+3.87%	+15.38%	-0.33%
Metals & Mining	+0.79%	+3.80%	-9.09%	-25.95%
Telecom	-1.87%	-2.00%	+1.41%	+10.96%
Utilities	+0.08%	+0.62%	+5.40%	+14.73%

TSX Top Performers

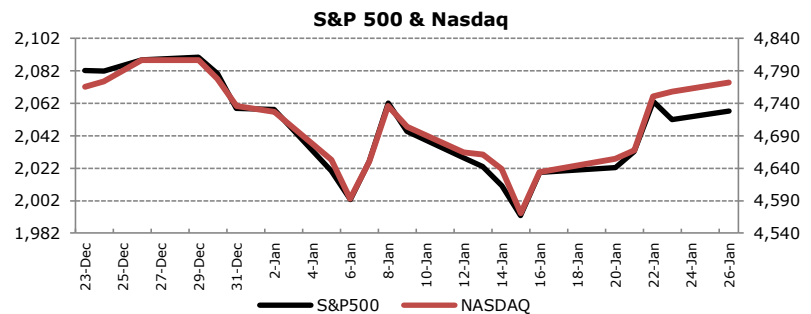
<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Centerra Gold Inc	+7.19%	+5.45%	+28.55%	+69.67%
Novagold Resources Inc	+5.26%	+2.22%	+39.39%	+34.50%
Norbord Inc	+4.60%	+8.81%	+3.76%	-11.34%
Trilogy Energy Corp	+4.52%	+4.35%	-18.67%	-75.15%

TSX Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Intertape Polymer Group I	-15.15%	-9.14%	-9.43%	+40.75%
Alamos Gold Inc	-4.80%	-27.22%	-11.08%	-28.60%
Rogers Communications In	-4.21%	-4.09%	-1.08%	-4.21%
Crew Energy Inc	-3.62%	-5.89%	-5.57%	-19.22%
First Quantum Minerals Lt	-3.55%	-8.81%	-24.52%	-38.35%

US Indices

<i>Trailing</i>	S&P 500	DJIA	Nasdaq
26-Jan	2,057.09	17,678.70	4,771.76
1-day	+0.26%	+0.03%	+0.29%
5-day	+1.87%	+0.95%	+2.96%
1-month	-1.52%	-2.08%	-0.73%
3-months	+4.71%	+5.20%	+6.42%
6-months	+3.98%	+4.23%	+7.24%
12-months	+14.90%	+11.33%	+15.59%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+0.57%	+2.29%	-1.32%	+12.33%
C. Staples	-0.02%	+0.64%	+0.23%	+19.86%
Energy	+1.39%	+3.01%	-2.87%	-7.02%
Financials	+0.47%	+1.70%	-4.34%	+13.18%
Healthcare	+0.45%	+1.28%	+3.00%	+28.06%
Info Tech	-0.44%	+2.66%	-2.59%	+19.94%
Industrials	+0.16%	+2.52%	-2.50%	+11.90%
Materials	+0.47%	+1.24%	-1.73%	+9.96%
Telecom	-0.43%	-1.55%	-2.33%	+2.07%
Utilities	-0.04%	+1.07%	+1.18%	+29.40%

DJIA Top Performers

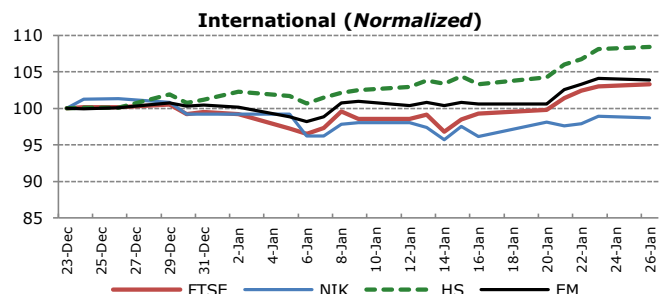
<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Chevron Corp	+1.90%	+3.58%	-3.86%	-6.37%
Mcdonald'S Corp	+1.24%	-0.90%	-4.34%	-3.98%
Pfizer Inc	+1.08%	+0.00%	+3.63%	+9.01%

DJIA Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Intel Corp	-1.76%	-1.77%	-4.65%	+44.32%
United Technologies Corp	-1.03%	+2.24%	+1.29%	+6.22%
American Express Co	-0.99%	-3.18%	-11.66%	-4.20%

International Markets

<i>Trailing</i>	FTSE 100	Nikkei	Hang Seng	MSCI EM
Last Close	6,852.40	17,468.52	24,909.90	988.71
1-day	+0.29%	-0.25%	+0.24%	-0.22%
5-day	+4.05%	+2.67%	+4.93%	+3.26%
1-month	+3.67%	-1.97%	+6.68%	+3.80%
3-months	+7.26%	+14.24%	+6.90%	+0.44%
6-months	+0.90%	+13.01%	+2.87%	-8.34%
12-months	+2.83%	+13.49%	+10.96%	+4.09%



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Nymex WTI Crude Oil

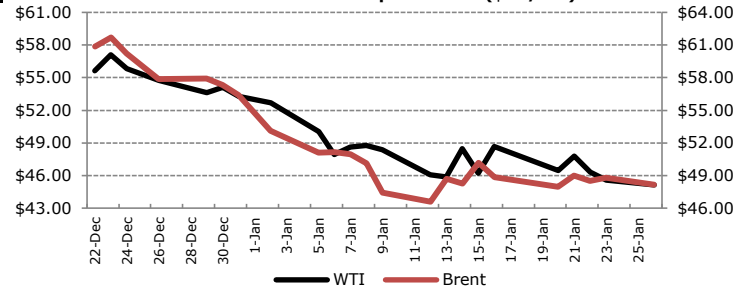
(\$US/Bbl)	26-Jan	day Δ	%Δ	5-day	1-mnth
Prompt	\$45.15	-\$0.44	-0.97%	-7.27%	-20.96%
Cal 15	\$49.41	-\$0.25	-0.50%	-5.51%	-21.06%
Cal 16	\$56.66	-\$0.09	-0.16%	-2.32%	-13.45%

(\$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	\$46.95	\$50.11	\$52.59	\$54.45	\$56.66

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

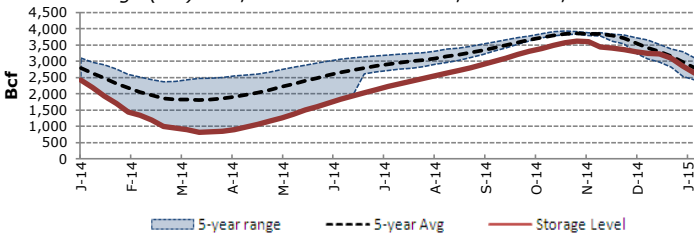
(\$US/Bbl)	26-Jan	day Δ	%Δ	5-day	1-mnth
Prompt	\$48.16	-\$0.63	-1.31%	-1.39%	-21.93%

Nymex Natural Gas

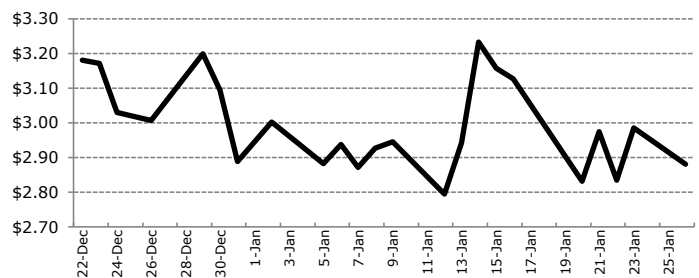
(\$US/MMbtu)	26-Jan	day Δ	%Δ	5-day	1-mnth
Prompt	\$2.88	-\$0.11	-3.52%	-7.87%	-9.15%
Feb15-Mar15	\$2.87	-\$0.09	-3.10%	-6.34%	-24.58%
Apr15-Oct15	\$2.93	-\$0.07	-2.48%	-4.57%	-21.79%
Nov15-Mar16	\$3.33	-\$0.04	-1.20%	-2.73%	-14.62%
Apr16-Oct16	\$3.33	-\$0.01	-0.34%	-0.82%	-13.95%

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)



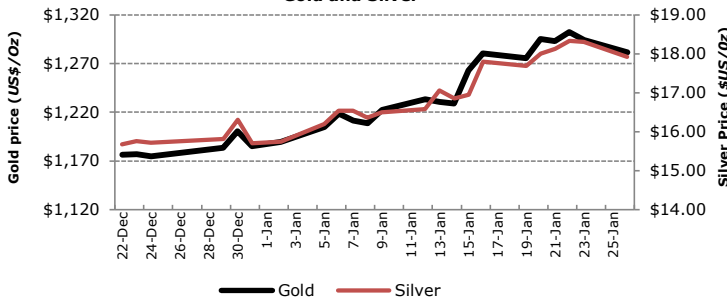
Alberta Natural Gas

(\$CAD/GJ)	26-Jan	day Δ	%Δ
AECO Feb-15	\$2.58	-\$0.17	-6.2%

Precious Metals

\$US/oz	26-Jan	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,281.38	-\$12.72	-1.0%	+0.4%	+8.3%	+9.2%
Silver	\$17.92	-\$0.39	-2.1%	+1.3%	+13.3%	+10.9%
Platinum	\$1,252	-\$15.85	-1.3%	-1.1%	+4.2%	+1.2%

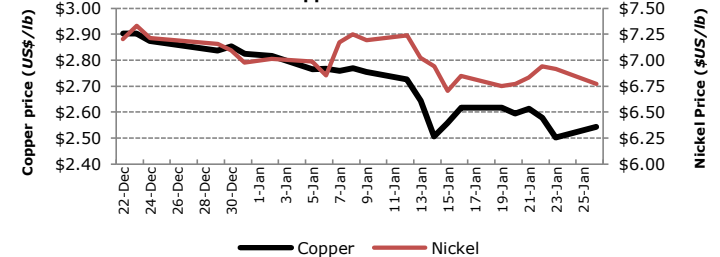
Gold and Silver



Industrial Metals

\$US/lb	26-Jan	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$2.54	+\$0.04	+1.7%	-2.8%	-10.4%	-16.5%
Nickel	\$6.77	-\$0.14	-2.1%	+0.3%	-5.3%	-5.8%
Zinc	\$1.04	-\$0.02	-1.6%	+2.2%	-2.0%	-7.7%
Aluminum	\$0.89	-\$0.02	-2.2%	+1.1%	-1.1%	-9.2%
Uranium	\$37.15	+\$0.15	+0.4%	+1.8%	+4.1%	+2.1%

Copper and Nickel



Agriculture & Other

	26-Jan	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$3.84	-\$0.03	-0.7%	-0.8%	-7.0%
Wheat (\$US/bu)	\$5.21	-\$0.09	-1.8%	-2.3%	-15.4%
Soybeans (\$US/bu)	\$9.84	+\$0.11	+1.1%	-0.8%	-6.2%
Rough Rice (\$US/cwt)	\$10.89	-\$0.13	-1.1%	-3.9%	-9.8%
Sugar #11 (¢US/lb)	¢15.35	+\$0.18	+1.2%	+0.1%	+4.5%
Lean Hogs (¢US/lb)	¢72.65	¢2.00	+2.8%	-6.5%	-14.2%
Live Cattle (¢US/lb)	¢148.00	¢0.80	-0.5%	-3.2%	-9.9%
Cotton No.2 (\$US/lb)	\$0.59	+\$0.01	+2.3%	-1.0%	-5.5%
Lumber (\$US/Mbft)	\$316.30	+\$4.80	+1.5%	+1.4%	-5.4%

Commodity ETFs

\$CAD	26-Jan	day Δ	%Δ	5-day	1-mnth
HBP Crude Oil U	\$7.58	-\$0.11	-1.4%	-12.4%	-40.4%
HBP Nat Gas U	\$4.66	-\$0.28	-5.7%	-10.2%	-24.5%
iShares Gold ETF	\$11.39	-\$0.11	-1.0%	+1.6%	+9.0%

\$USD	26-Jan	day Δ	%Δ	5-day	1-mnth
US Crude Oil	\$16.87	-\$0.13	-0.8%	-7.97%	-18.8%
US Nat Gas	\$14.55	-\$0.42	-2.8%	-7.27%	-30.6%
PSDB Agriculture	\$23.52	+\$0.04	+0.2%	-2.65%	-6.5%
PSDB Base Metals	\$15.23	+\$0.32	+2.1%	-0.26%	-10.3%

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Interest Rates

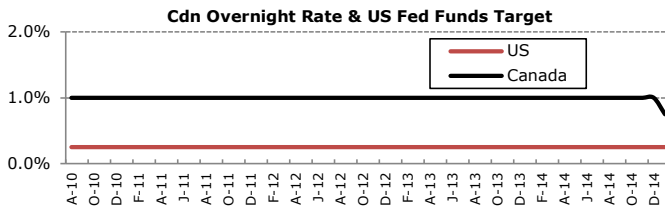
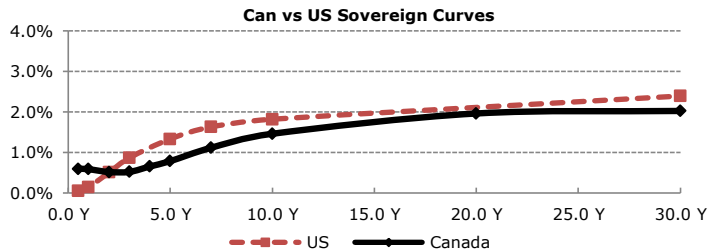
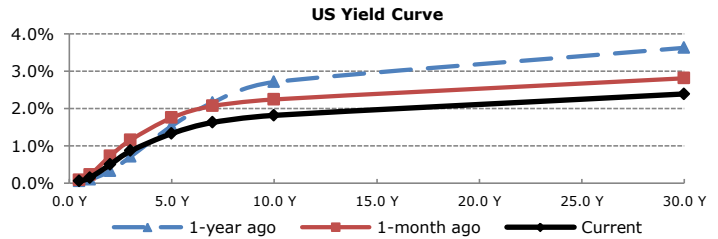
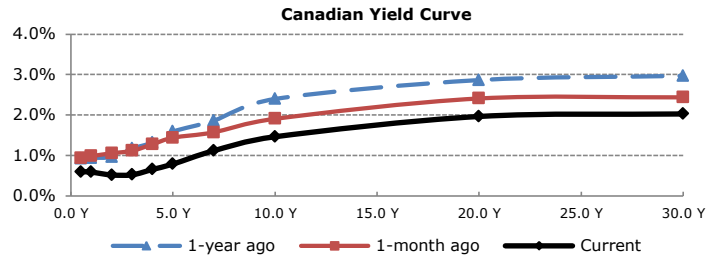
Canadian yield curve

	26-Jan	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.60%	-	0.90%	0.88%	0.90%
6-mnth	0.60%	-	0.93%	0.92%	0.92%
12-mnth	0.59%	-0.01%	0.99%	0.98%	0.94%
2-year	0.52%	-0.02%	1.06%	1.01%	0.97%
5-year	0.79%	+0.00%	1.44%	1.51%	1.59%
10-year	1.47%	+0.02%	1.91%	2.03%	2.40%
20-year	1.97%	+0.01%	2.41%	2.55%	2.87%
30-year	2.03%	+0.01%	2.44%	2.58%	2.97%

US yield curve

	26-Jan	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.01%	-0.01%	0.00%	0.01%	0.05%
6-mnth	0.06%	-0.00%	0.10%	0.05%	0.06%
12-mnth	0.15%	+0.00%	0.23%	0.10%	0.10%
2-year	0.51%	+0.02%	0.74%	0.39%	0.34%
5-year	1.34%	+0.03%	1.76%	1.52%	1.54%
10-year	1.82%	+0.03%	2.25%	2.30%	2.72%
30-year	2.40%	+0.02%	2.82%	3.07%	3.63%

	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%



Foreign Exchange

(USDCAD implies 1-USD to CAD)

Spot	26-Jan	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
USDCAD	\$1.247	+0.005	1.162	1.123	1.109
EURUSD	\$1.124	+0.003	1.217	1.265	1.368
USDJPY	¥118.46	+0.690	120.69	108.27	102.31
GBPUSD	\$1.508	+0.009	1.552	1.603	1.648
AUDUSD	\$0.793	+0.001	0.811	0.876	0.868

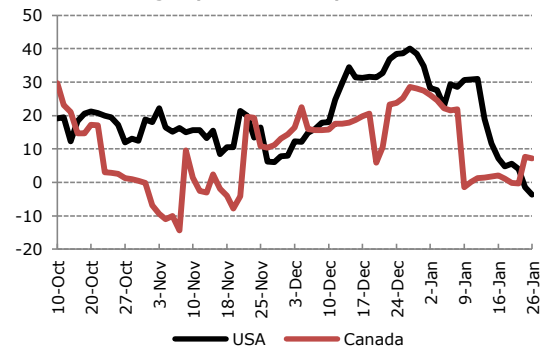
	Spot	26-Jan	day Δ	<i>Historical Levels</i>		
				-1 mnth	-3 mnths	-1 year
CADJPY	¥94.96	+0.133		103.88	96.41	92.28
CADAUD	\$1.012	-0.005		1.062	1.016	1.039
GBPCAD	£1.881	+0.019		1.803	1.800	1.828
EURJPY	¥133.12	+1.170		146.90	136.92	139.98
EURAUD	\$1.42	+0.002		1.50	1.44	1.58

Economic Releases

United States

		Period	Survey	Actual	Prior
Tue, Jan 27	Durable Goods Orders		0.3%	--	-0.7%
Tue, Jan 27	New Home Sales		450K	--	438K
Tue, Jan 27	Consumer Confidence		95.5	--	92.6
Thu, Jan 29	Continuing Claims		2405K	--	2443K
Thu, Jan 29	Initial Jobless Claims		300K	--	307K
Fri, Jan 30	GDP QoQ (Annualized)		3%	--	0%

Citigroup Economic Surprise Index

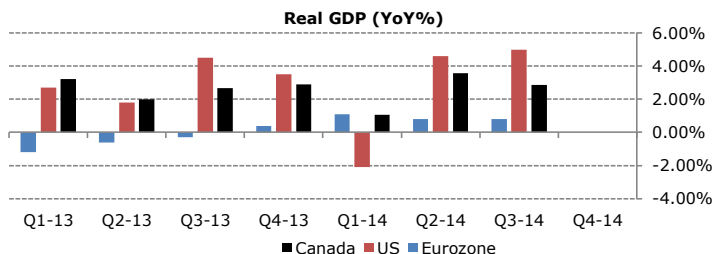


Canada

	Period	Survey	Actual	Prior
Fri, Jan 30	GDP MoM	--	--	0.3%

Economics

	Q1-14	Q2-14	Q3-14	Q4-14	2013E
Canada					
Real GDP	1.05%	3.59%	2.85%	NA	1.80%
CPI	1.37%	2.23%	2.07%	1.97%	0.90%
Unemployment	6.90%	7.10%	6.80%	6.60%	7.05%
US					
Real GDP	-2.10%	4.60%	5.00%	NA	1.90%
CPI	1.40%	2.07%	1.80%	1.27%	1.50%
Unemployment	6.60%	6.10%	5.90%	5.60%	7.40%
China					
Real GDP	7.40%	7.50%	7.30%	7.30%	7.70%



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